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BANKING: Back to Saturday opening P.6
GARDENING: Chelsea blooms again P.9
FEATURES: U.S. AIRLINES What happened to Braniff P.14; CASINO LICENCES The game of chance P.15
BOOKS: Robert Graves: The poet's long life P.10
FOOTBALL: The season's winners and losers P.13

NEWS SUMMARY

GENERAL

Israeli troops mass on border

Israel has confirmed its troops are massed along the border with Lebanon.

The army chief of staff denied major operations against the PLO were about to start. Reports from Beirut say that Israel has moved up two divisions.

This follows Palestinian shelling of northern Israel, in retaliation for Israeli air raids on PLO camps. Page 2

Hospital claim

Striking health workers at a Merseyside hospital have not adhered to union guidelines on protecting patient care, according to health service managers. Page 4

Pope charge

Rebel priest Juan Fernandez Krohn has been charged in Lisbon with attempting to murder the Pope. He will face trial within six months.

Price-cut move

Tesco plans to shut all its food supermarkets on Monday in preparation for a price-cutting campaign starting on Tuesday. Page 4

Solidarity 'loses'

Poland's authorities claimed victory over Solidarity after scattered demonstrations and strikes marking the start of the sixth month of martial law.

Bomb kills two

Bodies of two suspected Basque separatists were found in Navarre province, after a bomb went off in their car.

Helicopter hit

South Africa said its airforce destroyed a Soviet helicopter which had been supplying Swapo guerrillas in Angola.

Hinckley plans

John Hinckley, accused of trying to murder President Reagan, considered killing Senator Edward Kennedy and Yale University students, a psychiatrist said at his trial.

Tourist surplus

Britain had a provisional £55m surplus on its tourist account in January and February, the Trade Department said. In the period there were 1.34m overseas visitors. Page 3

Feather brained

A Hong Kong court heard that a man who tried to blow up oil installations demanded a £40,000 ransom to be delivered by carrier pigeons.

Briefly . . .

Japan is to build a prototype fast breeder nuclear reactor. Page 2

Red Adair shut off a gas well blowout in East Kalimantan, Indonesia.

A Soviet warship was reported to be ablaze in the Baltic.

LP record sales are down by a third on 1975 levels, owing to home-taped cassettes. Page 4

Coca-Cola is negotiating to start sales and production in the Soviet Union.

BUSINESS

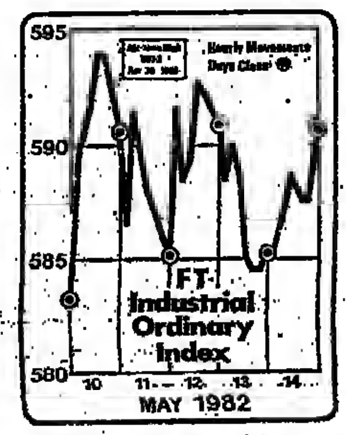
Gold up $6.6 in NY; £ steady

● STERLING gained 10 points on the day in London to close at $1.825. It rose to DM 4.21 (DM 4.19), SwFr 3.55 (SwFr 3.5375) and FFr 11 (FFr 10.925). Its trade-weighted index was unchanged at 90.4. Page 21

● DOLLAR rose to DM 2.306 (DM 2.2955) and SwFr 1.944 (SwFr 1.938), but slipped to Y235 (Y235.25). Its trade-weighted index rose to 112.8 (112.4). Page 21

● GOLD rose $3 to $335.125 in London. In New York the Comex May close was $338.2 ($331.6). Page 21

● EQUITIES: the FT 30-share index rose 5.4 to 590.6, a gain



of 8.6 on the Account and only slightly below Wednesday's 1982 peak of 590.9. Page 22

● GILTS: trading was subdued on fading hopes of lower U.S. interest rates and a further tightening of UK short-term money rates. The Government Securities Index closed 0.06 lower at 69.15. Page 22

● WALL STREET was unchanged at 859.11 near the close. Page 18

● U.S. ECONOMY continued to decline last month but inflation is increasing at a negligible rate according to government statistics. Back Page

● BRITISH COMPANIES which suffer losses because firm orders with Argentina are cancelled may be able to claim compensation from the Export Credit Guarantees Department if they are appropriately insured, said Trade Minister Peter Rees in the Commons.

● CHANCELLOR of the Exchequer, Sir Geoffrey Howe, said uncertainty about future oil prices was hindering North Sea development, rather than high taxes. Back Page

● PUBLIC SECTOR is taking a more prominent role than expected in developing enterprise zones says a report commissioned by the Environment Department. Page 3

● TRAFALGAR HOUSE'S takeover of Redpath Dorman Long, British Steel's former heavy engineering subsidiary, will not be referred to the Monopolies and Mergers Commission. Page 4

● JETSAVE, the transatlantic subsidiary of Associated Communications, is to be offered for sale at £3.5m. Back Page

● GRAND METROPOLITAN'S pre-tax profits increased in the half year to March 31 to £74.8m (£68m). Page 16, Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Aeronautical & Gen	200	+ 20
BAT Inds	465	+ 10
Bibby (J.)	390	+ 15
Boot (H.)	255	+ 11
British Sugar	505	+ 15
Channel Tunnel	135	+ 20
Chemring	365	+ 7
ESI London	291	+ 38
GEC	903	+ 13
Geers Gross	142	+ 8
Glaxo	690	+ 23
Grand Met	223	+ 5
Grindlays	220	+ 5
Guinness Peat	80	+ 3
Intnl. Thomson	333	+ 11
Johnson Grp Clnrs	234	+ 27
Leigh Interests	108	+ 12
Minet	186	+ 12
Regalian Props	60	+ 4
S and U Stores	19	+ 2
Thorn EMI	450	+ 7
Trident TV A	77	+ 6
BP	320	+ 6
Eglinton Oil Gas	130	+ 20
Oakbridge	85	+ 5
Pancontinental	106	+ 6
Renison	154	+ 8

FALLS		
BTR	330	− 10
Bambers Stores	25	− 2
Brit Vita	131	− 7
Foseco Minsep	188	− 9
Hawley	87	− 4
Long and Hambly	5¼	− 1½
Ultramar	430	− 8
RTZ	435	− 5

Nott pledges 'we shall not sell out the Falkland Islanders'

BY MARGARET VAN HATTEM AND MARK MEREDITH

MRS MARGARET THATCHER, the Prime Minister, and Mr John Nott, the Defence Secretary, yesterday underlined Britain's readiness to use further force to achieve its objectives in the Falklands crisis.

Addressing the Scottish Tory Party Conference in Perth, both assured a warmly approving audience that there could be no question of a peaceful sell-out.

Mr Nott, in a speech calculated to reassure the party's increasingly restive Right wing, said British forces would "do all that is necessary to accomplish their mission and protect themselves from attack."

"We shall not sell out the Falkland Islanders nor shall we renege on the principles which led Parliament and the people to will the despatch of the Task Force.

"We will do everything we reasonably can to secure a peaceful solution but at the end of the day we are resolved, if we have to, to use force if that is the only way to achieve our objectives."

Mrs Thatcher later underlined Mr Nott's message, insisting that the Government totally rejected a sell out. "I should not be doing my duty if I did not warn you in the simplest and clearest terms that, for all our efforts, those of Secretary Haig, and those of the Secretary General of the UN, a negotiated settlement may prove to be unattainable. Then we should have to turn to the only other course left open to us."

Mrs Thatcher said Britain would continue its diplomatic efforts to resolve the dispute, but insisted any settlement must be one "in which the Argentine leaves the Islands they now occupy unlawfully."

However, she carefully avoided any elaboration of Britain's sticking points in the current negotiation and, in referring to Argentine withdrawal, left open the possibility of a ceasefire and partial British withdrawal before Argentina's withdrawal of its troops from the Falklands was completed.

Moreover, in her references to the Islanders, the Prime Minister insisted on "their right to live their lives their way" and on the need to respect their loyalty and freedom of choice, but she said nothing about the paramountcy of their wishes in resolving the dispute.

Mrs Thatcher's speech in the packed town hall brought the audience to its feet in an ovation which lasted about three minutes with party faithfuls pounding the floor with approval.

Dressed in black Mrs Thatcher had swept past a small band of demonstrators—most

Continued on Back Page
Falklands crisis, Page 3

Snr Javier Perez de Cuellar, UN Secretary General, said yesterday that "these next days will be decisive." He indicated that he had never intended to conduct endless negotiations with Britain and Argentina. "That is why I hope that today and tomorrow I will have the final answers from the parties," he said.

The Soviet Union, in a statement to the British Ambassador in Moscow, said yesterday that it regarded Britain's military action over the Falkland Islands as unlawful.

Imminent invasion options studied by Government

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE GOVERNMENT could face its most critical weekend so far in the Falklands crisis as it ponders whether or not to give the order for the naval task force to invade the Falkland Islands.

As Mr John Nott, the Defence Secretary, told Tories in Perth yesterday Britain's military options ranged from a long blockade of the Falklands to their "early re-possession by force if the diplomatic efforts in the United Nations fail."

No military action, beyond that already being taken to enforce the existing total exclusion zone, around the Falklands will be ordered unti the outcome of the UN initiative is known, it was emphasised in Whitehall yesterday.

However, it is understood that Britain's defence chiefs have advised the Government that an early invasion of the Falklands is militarily preferable to a long drawn-out blockade.

There are four principal military arguments which the defence chiefs are believed to have advanced in favour of an early invasion. This is likely to be in the form of several dispersed landings rather than an all-out attack on the capital Port Stanley:

1—Defence chiefs are now confident that both the elements of the task force—the warships and the assault ships and escorts—are in a position to mount effective action. It is understood that HMS Fearless and HMS Intrepid, the amphibious assault ships, together with the troop-carrying liner Canberra are now in or near Falklands waters. They can therefore join, if they have not already, the main task force grouped around the carriers Hermes and Invincible which have been in the area for a fortnight.

2—While Mr Nott yesterday said that the Government would not be "hurried" in its military decisions, the Defence Ministry is believed to have calculated that the 4,000-5,000 marines and paratroopers with the assault force will be in danger of losing their fighting edge if they stay more than a month at sea without action.

3—The deteriorating weather is also a factor. High seas and low cloud make the operation of Sea Harrier fighters and helicopters difficult, and have an effect on men and morale.

4—Defence chiefs would prefer to see an invasion of the islands precisely because of the military problems involved in a long blockade.

It is recognised that no blockade is ever 100 per cent effective, but the last two weeks have thrown up problems which could be debilitating for the British force over the longer term.

It appears, for example, that while the middle of the runway at Port Stanley is cratered, the airport is still in use by light aircraft and possibly also by Argentine Hercules C-130 trans-

Continued on Back Page

Building societies' receipts up

BY ANDREW TAYLOR

BUILDING societies, which have been facing increasing competition from the clearing banks, yesterday announced their best figures for 15 months.

The societies' April net receipts of £437m were the highest since January 1981, Building Societies Association figures show. And there are signs, from figures for the first few days of May, that the improvement could continue this month.

At the same time, lending is continuing at record levels, as a result of which house sales are expected to remain high during the early part of the summer.

During April, societies promised to lend house buyers £1.42bn, only slightly less than the record £1.49bn promised in March.

Loans actually completed by societies in April topped £1bn, as they had in March, following six months in which they were well below that figure. Gross advances of almost £1.17bn were the second highest ever.

The figures will provide a further confidence boost for house builders, some of which have reported a significant rise in new house sales in recent months following two lean years for the industry in 1980 and 1981.

In this improving climate, house prices, which have fallen in some areas in the past 12 months, have started to rise again. The Building Societies Association said that the average price paid for a home in March was £23,982 compared with £23,552 the previous month. The figures are based on a sample covering between 80 and 85 per cent of building society mortgage approvals.

Societies, however, dismissed the idea of an impending house price boom. Mr Richard Weir, secretary general of the association, said that expected lower wage increases would limit house price rises to an average of 5 to 10 per cent this year.

The improvement in societies' net receipts largely reflects reduced competition from national savings. This follows the withdrawal of the 23rd issue of National Savings Certificates in March and its replacement by the 24th issue, which offers less attractive terms.

Societies are still digesting a series of moves announced by clearing banks on Thursday designed to strengthen the banks' position in the personal finance market.

Barclays Bank announced that about one in five of its branches would shortly be opening on Saturdays; Lloyds Bank revealed that it was to acquire an estate agents business; and National Westminster said it would provide 100 per cent loans on properties of up to £40,000.

Banks versus Building Societies, Page 6
Lex, Back Page

Britain presses for deal on EEC budget

BY JOHN WYLES IN BRUSSELS

BRITAIN yesterday declined to step back from the brink of a potentially bitter confrontation next week with its EEC partners. Instead, the Government challenged them to make the concessions needed for a speedy short-term deal cutting Britain's payments to the EEC budget.

This approach, adopted by Mrs Thatcher, the Prime Minister, and her senior ministers yesterday, should have a neutral effect on key discussions in Brussels today among Community officials on whether and for how long to continue the EEC's ban on Argentinian imports.

Although an extension for a week or two looks likely, a wide range of disagreement was evident here yesterday, involving the Danes, the Irish, the Italians and the Germans. This means that the issue will almost certainly need to be finally settled at a special meeting of EEC foreign ministers, probably in Luxembourg tomorrow afternoon.

It is uncertain whether this meeting would also confront the budget problem. If it does not, or if it tries and fails, then the UK faces a harsh confrontation on Monday with its partners.

Mr Peter Walker, the Agriculture Minister, will attempt to maintain Britain's block on a 10.7 per cent farm price rise until its budget demands are settled. The others, however, are expected to make every attempt to side-step the barrier erected by Mr Walker.

The UK Government yesterday left the door open for a late and speedy budget settlement by indicating that it would reluctantly consider a 12-month arrangement cutting back its contributions to the Community budget if the terms were right.

This approach was offered in a letter from Mr Leo Tindemans, the Belgian president of the EEC Council of Ministers, and M Gaston Thorn, president of the European Commission. The British response is to make it clear that the proposed rebate of £448m is too small because it would still leave London paying around £550m into the budget this year.

In addition to more money, the Government wants an undertaking from the other nine that they will negotiate later on a satisfactory long-term arrangement.

However, it is clear that London is prepared to sit tight and take the criticisms from its EEC partners if they refuse to move. The Government is ready to negotiate this weekend, but Whitehall wants a formal proposal from the Commission as a basis for the talks and some signs that the other member states are ready to negotiate seriously and not on a "take it or leave it" basis.

The nine have been taking a very tough line and most members, led by Germany, are threatening to push through the farm price package whether or not the UK invokes the Luxembourg compromise"—the informal understanding requiring unanimity when a member state declared its national interests are at stake.

British officials regard this as a bluff and are confident that the package will remain blocked. However, the nine have presented an unusually solid front on both farm prices and the budget problem, and behind-the-scenes co-ordination will undoubtedly give Mr Walker a difficult time on Monday.

The conflict has tended to strengthen some Government's reservations about Argentine sanctions. The Commission is proposing to extend the import ban for another month, but Germany looks likely to insist on only two weeks in order to keep up pressure on the UK to find a peaceful settlement to the Falklands crisis.

The Italians meanwhile are increasingly hostile to the whole policy, but will probably agree to a short-term renewal.

£ in New York

—	May 13	Previous
Spot	$1.8180-8200	$1.8320-8335
1 month	0.30-0.35 pm	0.30-0.35 pm
3 months	0.75-0.80 pm	0.75-0.80 pm
12 months	2.15-2.25 pm	2.05-2.15 pm

De Beers to close diamond mine

By George Milling-Stanley

A MAJOR source of large, high quality diamonds is to close in the next few months, victim to world-wide economic recession.

South Africa's De Beers Consolidated Mines, the major force in the diamond business, has decided the slump in demand makes its planned expansion of the Letseng-la-Terai mine, 10,000 ft up in the mountains of Lesotho, uneconomic.

Letseng is owned 75 per cent by De Beers and the rest by the Lesotho Government. It has always been a marginal operation.

Its recovery grade of 2.8 carats of diamonds per 100 tonnes of ore is the lowest in the De Beers group. This, almost certainly, made it the world's lowest-grade diamond-mine to operate at a profit.

The recession has changed that. Yesterday's joint statement from De Beers and the Lesotho Government disclosed that the mine has run at a loss for some time. The mine's salvation has been that it produces the occasional large and beautiful gem, such as the 601-carat Lesotho Brown, the 11th-biggest diamond discovered.

Since De Beers brought Letseng to full production in 1977 the mine has produced more than 100 stones in excess of 20 carats, the biggest being 213 carats.

Stones of this calibre have been hardest hit by the recent fall in demand, as Mr Harry Oppenheimer, De Beers' chairman, acknowledged in the group's annual report last month.

The main kimberlite pipe at Letseng was due to reach its target depth of 140 metres this year. Development of the nearby satellite pipe, however, would have prolonged the mine's life by about four years.

The decision to close the mine prematurely will throw out of work almost 800 people, including about 700 indigenous Basuto, although De Beers said it hoped to absorb as many as possible, in its own operations and in those of Anglo American Corporation, its sister company.

CONTENTS

For latest Share Index phone 01-246 8026

OVERSEAS NEWS

Israeli troops 'massed along Lebanon border'

BY DAVID LENNON IN TEL AVIV

ISRAEL'S army Chief of Staff, Gen Rafael Eitan confirmed yesterday that Israeli troops are massed along the Lebanese border. But he tried to cool speculation that they are about to launch a major operation against Palestinian guerrillas.

"We have concentrated troops on the northern border and they are on alert, but this does not mean we plan to go and clean the terrorists out of Lebanon," he told the Israeli newspaper, Yediot Aharonot.

The general gave no details of the military build-up. Reports from Beirut have said two Israeli divisions have been moved to the coastal town of Nahariyya, just south of the frontier.

The Cabinet appears to be divided on what action to take following Palestinian shelling of north Israel. The shelling, the first since last July's ceasefire in South Lebanon, was in retaliation for Israeli air raids on Palestinian Liberation Organisation (PLO) camps.

According to the Israeli press, hardliners who would like a large-scale campaign to break the PLO's military backbone, have run into strong opposition from some Ministers.

The U.S. has been making strenuous diplomatic efforts to prevent a major conflict. Mr Philip Habib, President Reagan's special envoy who arranged last July's ceasefire, is returning to the region and Mr Ariel Sharon, Israel's Defence Minister, who is one of the Cabinet hawks, has been invited to Washington for talks.

Most of the Israeli press has also been urging restraint. The Jerusalem Post said it appeared that Mr Menahem Begin, the Prime Minister, was not allowing himself to be stampeded into "a war that at least half the Knesset (parliament), half the government, and half the people, would not understand."

Gen. Eitan told Yediot Aharonot, however, that he doubted there would eventually be any alternative to a military confrontation with the guerrillas.

The PLO says the ceasefire only applied to cross-border action. Mr Begin yesterday called this an "absurd interpretation" and reiterated that Israel was insisting on a total halt to guerrilla activity.

Spain's jobless total to rise, says OECD

BY TERRY DODSWORTH IN PARIS

SPAIN'S unemployment is likely to intensify this year despite a growth rate of about 2.5 per cent, the Organisation for Economic Co-operation and Development says in its annual report on the economy.

The unemployment rate, expected to rise to 16 per cent from 15 per cent at the end of last year could, however, begin to come down next year, says the OECD.

Following this year's expected growth in gross domestic product, and a higher expansion rate of 3.5 per cent forecast for 1983, output should be strong enough to raise the overall level of employment during 1983, but the OECD secretariat expects job cuts to continue until the end of this year.

The report says that the country's economic development in 1981 was disappointing, with slow growth, one of the highest unemployment rates in the OECD area, persistently high inflation and a significant current account deficit.

It adds that the process of correcting imbalances in the economy was carried forward during the year. In particular, it singles out the better control established over wages, and the continued slow down in unit labour costs.

Spain's competitive position had also benefited from the depreciation of the peseta against other currencies, leading to improvements in export, while the problems of imported oil costs had been tackled by more appropriate pricing and conservation measures.

Consumer price increases could fall to 13.25 per cent against 14.6 per cent in 1981. Investment is also expected to rise slightly this year, from 2 per cent to 3.5 per cent.

A slight reduction in relative export prices could lead to a reduction in the trade deficit from $10bn (£5.48m) in 1981 to $9.5bn this year. At the same time, tourism is expected to remain buoyant with its positive trading balance going up by $500m to reach $6½bn.

As a result of these better performances in tourism and exports, the current external deficit on the balance of payments is likely to drop to $3¾bn from $5bn.

● Inflation continued its recent downward trend in March in the 24 member states of the OECD, the organisation said today. Consumer prices in the OECD group, which embraces the major non-Communist industrialised countries, rose 8.5 per cent in the year to March, after rising 9.1 per cent in the year to February and 10.8 per cent in the year to March 1981.

Reuter reports from Paris.

Leaked document reveals Ottawa's plans on press

BY VICTOR MACKIE IN OTTAWA

A CANADIAN Cabinet document leaked on Friday, and which appears to be genuine, recommends that the Government take no retroactive action against the country's two major newspaper chains, Southam Incorporated and Thomson Newspapers Ltd.

The document, made public in the Commons by Perrin Beatty, a Conservative, indicated the Federal Government has no intention of implementing the most controversial recommendations of the Kent Royal Commission on newspapers.

That Commission, headed by former editor Tom Kent, was set up to study corporate concentration in the newspaper industry in the wake of the 1980 closing of Thomson's Ottawa Journal newspaper and Southam's Winnipeg Tribune.

In the Commons Mr Pierre Trudeau, the Prime Minister, invoked the doctrine of Cabinet secrecy and refused to answer questions.

While it avoids a direct confrontation over newspaper ownership, the Cabinet document calls for increased control of the media through the power already vested in the Canadian Radio - Television and Telecommunications Commission (CRTC) and the Restrictive Trade Practices Commission (RTPC).

In a back-handed compliment he document states the Kent Commission's basic findings were correct. But it dismisses many of its recommendations as either unconstitutional, politically unacceptable or simply wrong-headed.

The document, dated March 31, recommends much softer measures than those suggested by the Commission, including that no owner be allowed in future to control more than 20 per cent of national newspaper circulation, and that no retroactive action be taken against Southam, which controls 28 per cent of the Canadian market, or against Thomson, which now boasts a 21 per cent market share. But their size would be frozen and the papers sold individually if the chains were ever offered for sale.

NZ's current account deficit worsens by 60%

BY DAI HAYWARD IN WELLINGTON

FALLING PRICES for New Zealand wool, higher import costs and a 25 per cent jump in the deficit on the services account contributed to a current account deficit of NZ$1.14bn (£500m) for the year ended in March—a worsening by almost 60 per cent of the deficit of NZ$716m recorded for the previous year.

The increased costs for imports and invisibles more than wiped out the 14 per cent rise in export sales which total NZ$6.7bn. Import costs at NZ$6.04bn were up by 19 per cent.

Results for both the month of March and the 1982 March quarter were also adverse. The current account deficit for the three months ended in March was NZ$256m—NZ$187m worse than the same quarter in 1981.

The world slump in wool prices was reflected by a drop of NZ$40m in New Zealand wool receipts this year. They total NZ$958m.

British Petroleum pulls out of Finland

By Ray Dafter, Energy Editor

BRITISH PETROLEUM is pulling out of Finland. It is selling two loss-making marketing operations to the Finnish state-owned oil company, Neste Oy. The deal is estimated to be worth £5m-£6m.

BP said yesterday that it had signed a letter of intent to sell its 100 per cent shareholding in the Finnish companies, BP-Petco and Suomen BP.

The deal forms part of a rationalisation of business interests by BP, whose chairman, Mr Peter Walters, has announced a widespread programme of changes aimed at making the group "leaner and fitter."

The two Finnish companies employ about 220 people. Last year, when they made an undisclosed trading loss, their combined turnover—excluding tax—totalled £160m. This compared with BP's gross revenues worldwide of £31.4bn.

BP began operations in Finland in 1960 but it has never gained a strong marketing foothold. Its interests include 80 petrol stations and its two companies hold total market shares of between four and 10 per cent in the various oil product sectors.

Under the sale arrangements, Neste will retain both BP-Petco and Suomen BP as wholly-owned subsidiaries. In addition, Neste will continue to market BP's chemicals and lubricants in Finland.

At the same time, BP will provide services to Neste in support of its aviation fuelling operations and the sale of BP lubricants.

Earlier this month, Mr Walters told shareholders that BP would continue its rationalisation programme which had so far involved the announced closure of several oil refineries representing almost a quarter of the group's European processing capacity and the withdrawal from unprofitable markets. "However painful it may be, we have to look sensibly at the market place and trim our organisation and plant in line with it."

The process would continue, both in the oil business and in the chemical industry. "Without the rationalisation we will be unable to make the further investment in those businesses we expect will be both necessary and profitable."

Sucre devalued by 24.2% in Ecuador

By Sarita Kendall in Quito

THE ECUADOREAN government yesterday devalued the sucre by 24.2 per cent against the U.S. dollar. The sucre is now officially pegged at 33 to the dollar.

It had stayed at 25 to the dollar since 1970, though the government recently created a multiple exchange system to try to stave off an outright devaluation.

The government—attributing the need for devaluation to export problems, in particular the reduction in earnings from crude oil—promised a package of complementary economic measures. That is to include export incentives, changes in policies on subsidies for imports and prices in the shops, help for agro-industrial projects.

The ban on importing vehicles is expected to stay in force, but there may be a new tax on luxury goods. Another important item is the reduction and rationalisation of public spending.

Though some sectors accepted the devaluation of the sucre as inevitable, others were highly critical. A trades union leader said labour would have to take steps to halt the government's unpopular policies, and threatened a national strike. However, the package in part reflects demands from the private sector, which is heavily indebted abroad and has been pressing for coherent measures to help exporters and local industry.

FRANCO-BRITISH TALKS THIS WEEKEND

Cheysson sets harsh opening tone

BY DAVID TONGE IN LONDON AND DAVID HOUSEGO IN PARIS

FRANCE'S Foreign Minister, M Claude Cheysson, arrived in London yesterday to set off a long week-end of Franco-British talks which have taken on particular importance as the row over reforming the EEC budget and raising EEC farm prices has come to a head.

M Cheysson set a harsh opening for his visit by regretting that French-British rapprochement had not progressed and accusing Britain of not appreciating the solidarity which the EEC had shown Britain over the Falklands crisis.

In an interview with the BBC he said: "I don't think that often in history one has seen such solidarity as expressed to the British—rightly, rightly, immediately after the Argentine invasions."

But he also said: "Strangely enough, the most impressive part of Community solidarity does not seem to have impressed your people that it has much to do with your presence in the Community."

M Claude Cheysson (left) and M Pierre Mauroy: a long week-end of discussions

British Ministers were particularly struck by his remarks as they came just before a weekend when senior officials of the Ten are meeting to discuss extending the EEC's ban on imports from Argentina for another month.

His remarks also came just before agricultural Ministers are to meet again on Monday to tackle again the question of raising EEC farm prices.

France has been particularly incensed by British tactics of blocking an agreement on farm prices until a solution is found for the problem of Britain's budgetary contributions.

This row is now liable to overshadow the other meetings due in the next three days.

Today, M. Pierre Mauroy, the French Prime Minister, is due to fly to Edinburgh to meet Mrs Margaret Thatcher, his British counterpart, at the annual meeting of the Franco-British Council, which is designed to build up the links between the two countries.

They are scheduled to have 30 minutes of talks before a formal dinner.

Then on Monday, M. François Mitterrand, the French President, is to fly in for a working lunch with Mrs Thatcher in which he will discuss the Versailles economics summit of seven major Western countries, due on June 4-6. M. Mauroy, who is spending Sunday privately, is due to attend the talks.

M Mitterrand has left Britain until last in his consultations with the other countries attending the Versailles summit, as the Elysee consider Britain as France's most prickly European partner.

The mood in Paris today contrasts sharply with the President's view on taking office that he wanted close relations with Britain to counterbalance France's traditional close links with West Germany.

U.S. Senate backs nerve gas weapon

By Anatole Kaletsky in Washington

AFTER A marathon debate ending at dawn yesterday, the U.S. Senate approved a $177.9bn (£98.3bn) defence budget for 1983, including, most controversially, a provision for $54m for the production and stockpiling of nerve gas weapons.

The decision on nerve gas production, which was passed with a majority of only four votes, concluded more than 20 hours of heated debate in which the senators took a stand on a number of other highly contentious issues.

These included the future of the MX intercontinental strategic missile programme, the Administration's plans to concentrate naval development on giant nuclear-powered aircraft-carriers and the long-running contest between Boeing and Lockheed for up to $8bn of orders to provide the U.S. Air Force with 50 heavy long-range transport aircraft.

The overall figure for the military budget was $5.5bn below the Administration's initial request, in line with the agreement reached last week by the White House and the Senate's budget committee.

The only major rebuff for the Administration was in the Senate's decision to opt for the Boeing 747, rather than the projected Lockheed C5B air transport.

Amendments to stop the MX missile programme and design a new missile with a mobile basing system and to divert naval funds from nuclear carrier construction to cheaper and smaller conventional warships were decisively defeated.

On nerve gas, the Administration's supporters came close to being defeated and accepted amendments which bar chemical weapon production earmarked for use in Europe until there is specific agreement from European Governments on deployment.

The House of Representatives began its consideration of the defence budget yesterday

Spanish employers' campaign banned

THE Spanish national employers federation, CEOE, has been banned from campaigning in the elections to the Andalucian Parliament. The ban has been imposed by an electoral watchdog committee following complaints by the Socialist Party, Robert Graham writes from Madrid.

The Federation has been conducting a vigorous campaign with large paid advertisements to the Press and public hoardings in the elections due to be held on May 23. The campaign has not identified openly with any party but has been bitterly critical of the socialists and Communists.

Moscow confident deadline for W. Europe gas will be met

BY ANTHONY ROBINSON IN MOSCOW

MR NIKOLAI OSIPOV, the Soviet Deputy Foreign Trade Minister, yesterday confirmed that the Soviet Union is still confident of being able to start supplying western Europe with gas from the West Siberian gas pipeline, now under construction, by the original target date—the end of 1984.

The target date remains officially valid, he said at a press conference, despite the opposition of the Reagan Administration, which has refused export permits both to Caterpillar for pipe-laying machines, and to General Electric for the rotary arms of gas compressors to be manufactured under licence by Italian, French and West German companies.

Recent reports in the Soviet press, however, have indicated that completion of the project to supply 40bn cu metres of gas from Urengoi deposits in western Siberia to Western Europe could well be delayed by plant and machinery shortages on the Soviet side.

According to the party newspaper Pravda, the principal difficulties are expected in the 140 km section of 4,465 km pipeline, which has to be laid through permafrost. This requires special transport and excavating machinery which at present, the Soviet machine-building industry is unable to supply in quantity.

The final configuration of the Urengoi-western Europe pipeline has now been decided, Mr Osipov added. It will be 4,464 km long and consist of a single pipeline 1.42 metre wide and working at a pressure of 75 atmospheres ensured by more than 40 pumping stations. The lines will traverse 145 km of permafrost, about 650 km of bog and marshland, and include a 446 km stretch through the Ural Mountains.

The Siberia-western Europe pipeline, however is only one of six pipelines to be constructed during the life of the current 1981-85 five-year plan. Five other pipelines also under construction are to bring natural gas from western Siberia to the western part of the Soviet union and eastern Europe.

Rapid exploitation of West Siberian gas deposits is the main factor behind the planned increase in Soviet natural gas output from 465bn cu metres in 1981 to 600-640bn by 1985. Gas is being seen increasingly not only as a powerful addition to Soviet energy resources but also as a substitute for oil, annual production of which is now stagnant at about 600m tons.

Japan to build fast-breeder

TOKYO — The Japanese Government has approved a plan to build a prototype fast-breeder nuclear reactor (FBR) to cost about Y400bn (£922m) at Tsuruga in western Japan, the science and technology agency said.

The proposed reactor, called Monju, will have an output capacity of 285 Mw, the agency said. Construction of the reactor by the semi-government Power Reactor and Nuclear Fuel Development Corporation (PNC), is expected to start this year, provided the design is approved by the Nuclear Safety Commission, government sources said.

An experimental fast-breeder, called Joyo (Eternal Light) has been operating in Ibaraki prefecture, north of here, since 1978.

Reuter

Charles Smith adds: Construction of the prototype Monju reactor marks the beginning of the second stage in Japan's development of fast-breeder reactors. The Joyo test reactor had logged 10,000 hours of operation by the end of last year. PNC plans to build the Monju reactor (named after a Buddhist holy man) have been public for at least seven years. Construction has been frequently postponed.

● Nippon Electric, a leading Japanese manufacturer of telecommunications and electronic computers, has developed a new material which can absorb high-frequency radio waves used in radar and microwave radio communications, the company said yesterday.

The "ferrite radio wave absorber" was developed for uses in the private sector, but can be diverted for military purposes, such as to evade radar screening, the company said. It was jointly developed with the Japanese Defence Agency.

The U.S. government has already expressed interest in a similar material being developed by TDK Electronics, another Japanese company. The U.S. military is reported to be interested in material to stop radar retection of its Stealth-bomber, now being developed.

Nippon Electric plans to introduce the product to the market later this year at Y100,000 (£230) to Y150,000 (£346) per square metre. Use of the material on buildings, towers and telecommunications facilities will be highly effective for eliminating ghost signals, improvement of transmission quality, and preventing the generation and scattering of unwanted radio waves, the company claimed.

AP-DJ

New Sino-Indian border talks

BY K. K. SHARMA IN NEW DELHI

ANOTHER ATTEMPT is being made to resolve the vexed border dispute between China and India, which has soured relations between the two countries since the Himalayan border war of 1962. A high-powered delegation led by Fu Hao, special envoy of the Chinese Government, arrives in New Delhi today.

The Indian team to the four-day talks next week will be led by Mr Eric Gonsalves, Secretary in the Foreign Ministry, who told reporters yesterday that an "honourable and mutually acceptable" solution would be sought. He qualified this by adding that he would operate within the mandate given to him and that the Indian position was "not totally flexible."

The dispute is mainly over 14,000 square miles of territory in Aksai Chin, Northern Kashmir, which Chinese troops have "illegally occupied" since 1962, according to the Indians. China also claims the Indian state of Arunachal Pradesh in the North-East although its troops withdrew from it after a cease-fire in 1962.

This will be the second round of talks on the border issue. The first was held six months ago in Peking when the two countries discussed the dispute for the first time in two decades.

China has indicated that it would like to settle the border on the basis of a package deal involving recognition by India of Aksai Chin as part of China in exchange for withdrawal of Peking's claim to Arunachal Pradesh. This package has been declared unacceptable by India and so a settlement will not be easy.

Australian unions' national wage claim rejected

BY MICHAEL THOMPSON-NOEL IN SYDNEY

Mr Fraser (left) . . . trade worries

THE AUSTRALIAN Arbitration Commission rejected yesterday the union claim for a national wage rise of A$25 (£14.88) a week.

The rise would have covered the estimated 1.7m workers who have not received a pay increase since the collapse of national wage indexation in July last year.

The claim, by the Australian Council of Trade Unions, was designed to help workers in the less powerful unions. The ruling is a victory for employers' groups, and the federal Government. Both have argued strongly against an award to enable workers to catch up.

On the other hand, the commission said in Melbourne yesterday that it would hold a conference, on August 17, to consider whether there was justification for a form of centralised wage-fixing.

Australian industrialists have warned recently that wage pressures were the main cause for loss of competitiveness by Australian goods.

Mr John Elliston, a director of Peko-Wallsend, a mining group, claimed this week that industrial development in Australia lay in a "miserable shambles at the feet of government over-spending and union greed."

Union leaders attacked the commission's decision as "irresponsible." But Mr Ian MacPhee, the Minister for Employment and Industrial Relations, said it would make an important contribution to wage moderation and an improved industrial climate.

● Mr Malcolm Fraser, the Australian Prime Minister, was to leave Canberra tonight for talks with President Reagan in Washington, before visiting Canada and Japan. He will also spend three days in South Korea.

In talks with Mr Reagan, as well as with Mr Pierre Trudeau, the Canadian Prime Minister, and Mr Zenko Suzuki, the Japanese Prime Minister, Mr Fraser will voice concern at what he sees as a reversion to protectionism in international trade.

He said this week he was concerned that the economic summit at Versailles would produce an "anodyne communique," rather than a "lead which offers a hope for a resurgence in world trade and production."

Depressed international trade and the slump in commodity prices continue to cause acute problems for the Australian balance of trade.

Australia's current account deficit over the first 10 months of 1981-82 was A$7.6bn (US$ 8.09bn), more than twice the figure for the equivalent months of 1980-81. But there was a record capital inflow of A$2bn (£1.19bn) in April.

Cuba wins hearts on its Island of Youth

By William Chislett recently in Havana

"THERE ARE no guerrilla camps here or military training. Ideological study is much more important," said Sr Waldo Garrido, the director of the Nicaraguan school on Cuba's Island of Youth. Here, 10,000 students from Africa and Latin America receive a Marxist-Leninist education; Sr Garrido curtly dismissed the claim that the island is a base for exporting revolution.

Cuba's President, Sr Fidel Castro, has long been accused in the West, particularly by the U.S., of training foreign guerrillas. But whatever military training takes place does not appear to occur in the schools.

A much more subtle warfare is being waged among the idyllic island's groves of pines and grapefruit — which were the setting for Robert Louis Stevenson's famous novel "Treasure Island." Young hearts and minds are being won over to the Cuban cause through textbooks, not guns.

Apart from 570 Nicaraguans, there are students from Angola, Mozambique, Ethiopia, the Congo, Guinea Bissau, Sao Tome, Western Sahara — the part of the Sahara where the Polisario Front is fighting against Morocco—and refugees from Namibia and South Africa.

The students, aged between 12 and 20, study for up to six years. Secondary education, with special emphasis on the sciences, is taught by Cuban teachers, but classes in the history, geography and political ideology of each country are given by native teachers. Students are also kept in close contact with their countries through visits from their political leaders when they come to Havana, as well as the latest propaganda from their embassies.

The first school, for Mozambique, was started in 1977 as a central part of the President's policy of "international solidarity" with friendly countries, particularly the emerging African nations. Cuba still has a large military presence in Angola and Ethiopia, maintained at a high cost to the shaky Cuban economy. There are also Cuban engineers, doctors and teachers abroad.

"We are forming a real international community," claimed Sr Eduardo Modlane, the director of the Mozambique school, who said Cuba paid for the schools. A slogan in the school proclaimed "every internationalist is a Communist."

The schools reflect the tremendous importance placed on education in Cuba, which is free, and on the youth in general. One of Sr Castro's latest slogans, "Young people will be the constructors of Communism and the forgers of the new world," greets visitors to the Island of Youth.

Sr Castro and a small band of followers were imprisoned on this island for 18 months after they attacked the Moncada barracks in 1953. They were later granted amnesty and Sr Castro went into exile in Mexico from where he launched his revolution. Their cells are now a museum. Most of those imprisoned with Castro are still the central figures in Cuba today.

The speed with which Cuba is establishing solidarity with other countries is exemplified by the Nicaraguan school. It is the only one from Latin America, a region still dominated by Right-wing military dictatorships. There was a school for the nearby Caribbean island of Jamaica, but it was closed by the conservative Seaga Government after the Socialist leader Mr Michael Manley lost last year's general elections.

The Nicaraguan school was started just six weeks after the Sandinistas' victory over the rule of General Somoza in 1979. Cuba played an important role in helping the Sandinistas.

The school, which overlooks the circular prison, is named after Carlos Fonseca, the Sandinistas' ideologue who was killed 20 years ago. The day starts with the Sandinistas' hymn, followed by five classes of 45 minutes each before students work in the surrounding countryside. "We want producers as well as consumers," said Sr Garrido.

Pictures of Nicaragua's leaders adorn the school walls, along with posters and slogans.

The schools are undoubtedly winning Cuba a lot of friends among people who will have an important role to play in their countries.

Dutch doubts persist

Queen Beatrix of the Netherlands was last night still considering whom to appoint as mediator between her country's feuding political factions, following Wednesday's break-up of the ruling Centre-Left coalition, Walter Ellis reports from Amsterdam.

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Angry reaction in Buenos Aires to Reagan view

BY JIMMY BURNS IN BUENOS AIRES

RELATIONS BETWEEN Argentina and the U.S. deteriorated further bere yesterday as local officials reacted angrily to President Ronald Reagan's judgment on the Falklands crisis in a news conference televised nationwide on Thursday night.

By yesterday afternoon, there were no official reactions from either the Foreign Ministry or the joint chiefs of staff on the President's statements. But privately government officisls ssid that it had left "a very bad impression" on Argentina.

They pointed out what they saw as the contradiction between Mr Reagan's claims that U.S.-Argentine relations had not suffered irreparable damage as a result of the crisis, and his condemnation of Argentine intransigence.

Buenos Aires has always iosisted that it is tbe British Government's lack of flexibility that has stalled a peaceful settlement. The Foreign Ministry believes it has already gone far enough in New York by agreeing not to make its sovereignty claims a pre-condition to the start-up of negotiations with Britain. The modification of a previous insistence on an unqualified recognition of Argentine sovereignty by Britain has already provoked angry reactions in Buenos Aires from the more hawkish members of the military who fear a "sell-oot".

Mr Reagan's statements on Thursday night have been interpreted as a reaffirmation of the U.S. alliance with Britain to the detriment of a closer relationship between Washington aod Buenos Aires.

The anti-U.S. mood was expressed in a banner headiinc in yesterday's edition of Conviccion, which has close links with the navy. Against a blsck bsckground, the front page referred to Mr Reagan's support for "Mrs Thatcher, the sngel of desth."

The extent of anti-U.S. feeling is believed to have heen fully gauged during a secret two-day visit earlier this week to Buenos Aires by General Vernon "Dick" Walters, one of Mr Haig's closest associates.

According to military officials quoted by the pro-Government newspaper, La Nacion, yesterday, Gen Walters met President Galtieri and the two other members of the junta.

He had not come to put "pressure on the junta," according to the officials, but to try to ensure continuing Argentine flexibility aimed at a peaceful settlement. The junta is believed to have interpreted Gen Walter's visit as an intentional counterweight to the aupport given to Britain publicly by the Washington Administration.

The Quai d'Orsay makes mock of the FO mandarins

BY DAVID HOUSEGO IN PARIS

M CLAUDE CHEYSSON, the *French Foreign Minister*, is reported to have warned his officials to notc British misjudgments in the handling of the Falklands crisis.

In particular, "he has drawn their attention to the 'self-importance' of the old imperial power, the basic instinctive contempt for proposals pnt forward by Latins ('flashy foreigners'), the technocratic reaction in the face of uncomfortable information, and the evident desire of the distinguished men of the Foreign Office not to allow the vulgar public, and the no less vnlgar politicians, to get mingled with their sophisticated reasoning . . ."

The Foreign Minister's alleged comments were reported yesterday in the weekend magazine section of the newspaper Figaro, which published what it claimed to be a photo-copy of a confidential internal memorandum on the Falklands crisis. The memorandum was itself a comment on an analysis by the head of the American department at the Quai d'Orsay, entitled: "The Falklands: the lessons of a fiasco." The Quai has declined to comment on any leak.

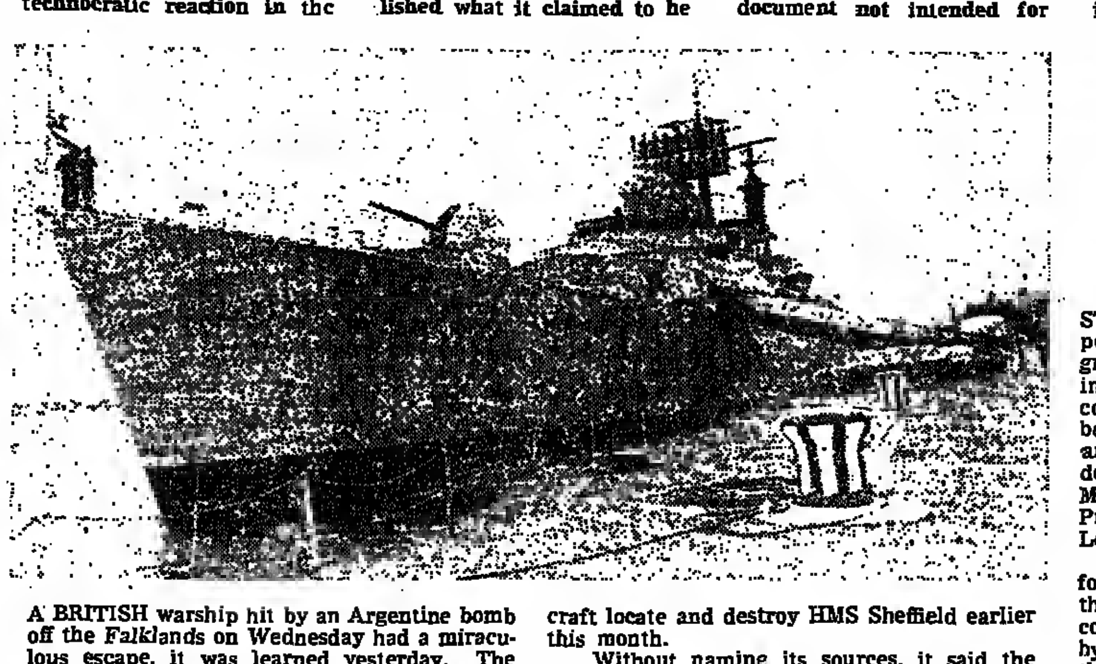
Given M Cheysson's record of gaffes, his remarks in a document not intended for public consumption are less iodiscreet than might have been supposed. But they do show the Quai to be sharply critical of the Foreign Office's analysis, and of the British Government's response.

M Cheysson says in his notc he does not endorse "all the judgments" of M Bernard Dorin, his senior official. The minister says that the reaction of Mrs Thatcher to the invasion of the Falklands was "perhaps exaggerated," hut that it was not premature and that the instantaneous response of the "European *partners—of the* EEC and Norwsy — in circumstances painful for some—Germany and above all Italy—was of considerable value."

The head of the Quai's American department is far more severe in his judgments. He says the British lived mistakenly in the certain belief that the Argentines "would never attack the greatest power of the last century." He accuses London of spinning out the negotiations with Bnenos Aires

The fleet sent to the Falklands, he describes as "ont of proportion to the object of the quarrl."

The analysis is dsted April 22 and M Cheysson's reply April 27.



A BRITISH warship hit by an Argentine bomb off the *Falklands* on *Wednesday* had a miraculous escape, it was learned yesterday. The bomb, launched from a Skyhawk jet fighter, went straight through the vessel *horizontally* without exploding. The ship, reported on television to be a Type 42 destroyer like HMS Glasgow (pictured above), suffered comparatively minor damage, which has now been largely repaired.

Meanwhile in Washington, the usually well-informed Aerospace Daily has reported that a Soviet satellite helped Argentine aircraft locate and destroy HMS Sheffield earlier this month.

Without naming its sources, it said the information satellite Cosmos 1355 passed directly over the *Falkland*s at about 8.20 am local time on May 4. An Argentine fighter-bomber hit the Sheffield with an Exocet missile less than four hours later, the newsletter said.

It quoted one official as saying the Cosmos "certainly gave a hint" to an Argentine Neptnne patrol aircraft which pinpointed the Sheffield aod passed its position to the fighter-bomber.—Agencies

Trenchard condemns BBC radio 'inferences' over the Sheffield

BY IVOR OWEN

STATEMENTS MADE in a peak-time BBC radio programme containing "obvious inferences" that HMS Sheffield could have been saved had it been fitted with the Sea Wolf anti-missile sytem were condemned by Lord Trenchard, Minister of State, Defence Procurement, in the House of Lords yesterday.

Lord Orr-Ewing (Con) a former Admiralty Minister, led this latest attack on the BBC's coverage of the Falklands crisis by protesting that an item in the Today programme broadcast at seven and eight o'clock on the morning of May 11 had been "laced with innuendoes" which showed "distrust of the Government and mistrust of its missile policy".

Impracticable

Lord Trenchard said he regretted thst the inferences had been broadcast "four times over" and that no efforts had been made by the BBC to check the position with the Ministry of Defeoce.

Nor had the BBC so far broadcast a statement issued by the *Ministry* following the programme, he added.

Dealing with allegations that *the Ministry* of Defence could have authorised the fitting of Sea Wolf to HMS Sheffield and other type 42 destroyers, he stated that this had been considered over 10 years ago and again some five years ago.

Sea Wolf had never been incorporated in the design of *Type-42* destroyers because it was found to be impracticable to fit both the Sea Wolf and Sea Dart systems on the same ship.

Lord Trenchard stressed that the Sea Wolf system was deployed with the task force in Type-22 frigates.

Replying to a further question from Lord Orr-Ewing, the Minister said it had so far been judged that it would remain impracticable to fit Sea Wolf with the new light-weight tracker radar, to Type-42 destroyers in addition to Sea Dart

It was also true, he said, that had light-weight tracker radar been ordered the day when the Royal Navy decided that it met its specifications, it would still not have been in service for several years yet.

Lord Trenchard acknowledged the difficulties in obtaining news from the journalists with the task force.

But he insisted that there should be a degree of cross-checking and responsible thought by the media before allegations like those contained in the Today programme were broadcast.

'Deeply worried'

He said the BBC chairman was deeply interested—"I suggest deeply worried—about the criticism which has been made of the BBC coverage."

Lord Jenkins (Labour) maintained that it was undesirable that Parliamentary immunity should be used to intimidate broadcasters with the result that Mr Robert Kee, presenter of the controversial Panorama programme shown on BBC television last Monday, had felt it necessary to "recant" and so let down his colleagues.

He suggested that Britain needed to be careful that it did not move ioto the sort of society which it was now opposing in Argentina.

In indignant terms, Lord Hailsham, the Lord Chancellor, recalled that Lord Jenkins had recently accused the Government of "murder."

"I think he should be very glad of the Parliamentary immunity and tolerance which is extended to him," he said.

Death threats to Reuters

REUTERS news agency, whose main Latin Amcrican office is in Bnenos Aires, is keeping under review its operation in Argentina, following three death threats which were recived at the office by telephone oo Thursday, writes Hugh O'Shanghnes day, writes Hugh O'Sbaughnessy.

The office is now principally staffed by non-British personnel. British *journalists* and exectives were evacuated last week. The Reuters office was nnder *spasmodic police guard* on Thursday and Friday. The Argentine Government has offered *police protection* to those foreign journalists who seek it.

Finance houses go out of business in Argentina

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

AMID insistent reports that a score or more of Argentine finance houses are in serious difficulties, the Argentine Central Bank put one deposit-taker into liquidation and appointed a manager to another on Thursday.

The Co-operativa de Credito Rio de la Plata has been compulsorily wound-up and Tranfina has been effectively taken over by the authorities. Both companies are based in Buenos Aires.

About 14 financial institutions have gone out of business or have been taken over by the State in the past few days. Press reports differ over the exact number.

The principal cause of difficulties has been competition among banks and deposit-takers for funds and a consequent interest rate war, combined with borrowers' repayment difficulties. Proponents of the Government add that the system of giving Central Bank guarantees to depositors, which is slowly being dismantled has led imprudent financiers to make reckless losns.

The Government announced on Thursday that it has suspended "for the moment" the de-nationalisation plans which had been one of the main policy objectives of Dr Roberto Alemann, the Economy Minister.

In his first message to the country after assuming the Presidency in December, Gen Leopoldo Galtieri announced that a de-nationalisation plan would be put forward within 120 days. The Government has been trying to reduce what it considers an excessively large public sector and to block the drain on public resources caused by loss-making public companies.

Also, the Government has increased taxes on cigarettes from 70 to 75 per cent, on cigars and tobacco from 16 to 20 per cent, on whisky from 37 to 45 per ceot, and on other spirits from 24 to 30 per cent.

Meanwhile, it appears increasingly likely that the authorities will announce ways to try to avoid an impending suspension—as a result of the British task force's exclusion zones—of insurance cover on merchant vessels calling at Argentine ports.

The authorities are studying ways to allow the Argentine State to extend cover to merchant vessels and thus avoid the risk of maritime foreign trade being totally suspended by the end of this month. Lloyds of London has announced it will then review marine policies for ships in Argentine waters.

UK NEWS

BCal given go-ahead for Gatwick to Geneva run

By James McDonald

THE Civil Aviation Authority has granted British Caledonian Airways a 10-year licence, with immediate effect, to operate scheduled services between Gatwick Airport-London, and Genevs.

The authority said yesterday the service will be a valuable addition to Gatwick's international route network, in line with its policy of encouraging the airport's development.

It believed there was a "reasonable prospect" that the service would cover BCal's direct operating costs in the first year and subsequently become fully profitable.

The authority accepts that the service will divert some business from British Airways' corresponding Heathrow flights. "But this has to be balanced against the gains to consnmers and to Gatwick Airport."

● British Airways yesterday officially began its "economical" service for the Scottish Highlands and Islands. Staff serving the 11 routes have been cut by 422 to 184.

Mr Roy Watts, BA group managing director, said in Aberdeen that BA had to make the operation at least cover its costs. The service is expected to have made a £4.5m loss in the year ending in March, but a small profit is hoped for by next March.

Falklands gives Scots Tories heart

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE Falklands crisis pushed *economic issues well* into the background at the Scottish Conservitive Party conference in Perth yesterday. Mrs Thatcher won wide praise for her handling of the crisis.

Mr Michael Ancram, MP, the chairman of the Scottish party, told delegates that the worst was over for the Tories in Scotland. He said the Falklands had brought the nation together in a way he had not seen before. "It has created unity of purpose, which has made many things possible."

Courage

Mr Bill Walker, MP, praised the courage aod resolve of Mrs Thatcher and another delegate, Mr Michael Hurst, called her a woman of immense courage not prepared to compromise her principles.

"She has been on the lonely *spot of* having to be involved in decisions that affect human lives," Mr Hurst said. It was "*difficult* to *fault*" the Government's handling of the Falklands crisis."

A brief debate oo the economy maintained the optimistic mood of the conference. One delegate, Mr Murray Tosh, predicted that Britain was on the way to becoming the Japan of *Western Europe*. The Government's economic policies were given full backing by the conference.

Sir Geoffrey Howe, the Chancellor, said the Covernment would be the *first* io 30 years to achieve a lower inflation rate thsn its predecessors. "Only the Japanese have been doing better and they will soon have to look to their laurels."

Sir Geoffrey was given a standing ovation after he told delegates: "We are determined, as we always have been, to keep right on to the end of the road. *People do not expect us* to work miracles, but they do expect us to stick to our guns."

He said *the Government* did not underestimate the effect of unemployment (330,000 in Scotland) on people's lives.

"Is there anybody who doubts that the only way to cure unemployment is to have competitive and profitable industries, backed by a competitively-priced productive workforce producing products which people wish to buy?". Sir Ceoffrey asked.

In his review of the party's standing, Mr Ancram noted that the Tories had faced up to a madir in public opinion over the past year.

"By the New Year, imperceptibly and slowly, things began to change; tiny signs that the medicine was beginning to take, that the recession was beginning to lift," he said.

Satisfaction

There was quiet satisfsction about the regional elections last week, the Conservatives took control of Lothian region from Labour. But Mr Ancram warned that the Social Democrats in Scotland were dangerous, "Not for what they are but for what they might accidentally achieve."

Mr Gerry Malone, Conservative opponent to Mr Roy Jenkins in the Hillhead by-election, described the Social Democrat politician as the "silent statesman." Another speaker asked whether Mr Jenkins had beeo struck dumb since his election in March.

Thames Shiprepair close to £16m Moroccan order

BY ANDREW FISHER, SHIPPING CORRESPONDENT

A SMALL London company set up in the defunct Royal Docks three months ago hopes to win a £16.5m order to build deep-sea trawlers for Morocco.

Mr Iain Cochran, general manager of Thames Shiprepair Services, said letters of accord had been signed with two private shipping companies in Morocco for 11 vessels worth £1.5m each.

Another two companies have been negotiating for seven more trawlers. The *350-gross ton* trawlers will be for Atlantic fishing and capable of stayiog at sea for 60 days.

Thames Shiprepair has competed with Spanish, Dutch aod French rivals for the order. Mr Cochran hoped this would be signed in about a week.

He said an attraction for the Moroccans in having the trawlers built in the UK was the design, on which the semi-government Seafish Industry Authority acted as consultant.

Thames Shiprepair will double its workforce of 40 men to meet the orders, he said. The first ship could be built in a year, with the others following at intervals of several months.

The company has been negotiating with the Export Credit Guarantee Department over insurance cover. This remains to be agreed. The Moroccans, which he declined to name at this stage, accepted the finsncing terms offered by UK institutions.

Mr Cochran set up Thames Shiprepair in February with £10,000 of his own money and a £60,000 loan from the Covernment under its scheme to help small companies. He said the volume of repair busioess since then had met initial expectation.

Intasun chief told to pay £467,000 to bank

By Raymond Hughes, Law Courts Correspondent

A HIGH COURT judge has ordered Mr Harry Goodman, chairman of Intasun, the travel company, to pay £467,000 to First National Finance Corporation under a guarantee he signed 12 years ago.

In 1970 Mr Goodman guaranteed repayment of money advanced to a company with which he was then associated but with which he severed his connection two years later.

Mr Justice Bingham said he could oot avoid the feeling that it was a hsrsh result for Mr Goodman, whom he described as an outstandingly successful entrepreneur in the package-holiday business.

Most of the large advances had been made to Apartotel (London), a compaoy developiog holiday accommodation for visitors in London's West End, when Mr Coodman had no longer been connected with it.

His guarantee was not limited in money or time, however, with the result that he was now burdened with a great liability.

The money had been advanced initially by Cassel Arenz and Compaoy, which in 1970 had been a wholly-owned subsidiary of First National.

In 1972, as a condition of its recognition by the Trade Department as a bank for the purposes of the Protection of Depositors Act 1965, First Natiooal's business was merged with that of Cassel Arenz. After the merger the advances to Apartotel were made by First Natiooal.

In 1977, when Apartotel owed £699,286, First National demaoded payment. Apartotel was wound-up and the £338,165 uoobtainable from the company was demanded from Mr Coodman under his guarantee.

The judge rejected Mr Goodman's contentions that his liability was limited to the initial advance of £40,000, and to the 12-month period of that advance, which ended in April 1971.

Mr Goodman's defence that he was liable only in respect of the Cassel Arenz advaoces and not those from First National failed also. The judge said the stark fact was that the document Mr Goodman signed contained no such limitations.

First National was entitled to judgment for £338,165, with interest said to amount to £129,000. The judge suspended the operation of his order to give Mr Goodman an opportunity to appeal.

Foreign travel account shows surplus

BY JAMES McDONALD

THERE WAS a surplus of £55m on Britain's travel account for the first two mooths of this year, according to Department of Trade estimates published yesterday.

A total of 1.34m overseas visitors came to the UK in January and February — 8 per cent more than in the same period of 1981 — snd they spent £345m, 13 per cent more than a year before. The 1.77m visits abroad by UK residents were 7 per cent higher, but they spent only £290m — 3 per cent more — than in January and February of 1981.

All of the £55m surplus on the travel account during the two-month period, however, took place in January. In February, the £140m spent abroad by UK residents equalled that spent in Britain by overseas visitors.

The number of foreign visitors to the UK from Western European countries outside the EEC during January and February was 13 per cent higher thsn a yesr before. There were 11 per cent more visitors from North America. Visitors from EEC countries increased hy 9 per ceot, while there was little *change* in the oumber of visitors from the rest of the world.

There was a 27 per ceot increase, compared with a year before, in the nomher of UK residents going to Western European countries outside the Community but visits to North America were down by 5 per cent.

Last year, for the first time, there was a deficit of £286m on Britain's travel account, compared with surpluses of £223m in 1980 and £688m io 1979. Towards the end of 1981, however, the monthly travel sccount hsd a surplus of £30m in November and of £49m in December.

Backers raise £2m for film

A FILM called The Pike, to he produced on Lake Windermere this summer, is being backed by £2m raised mainly from British sonrces. It is abont a man-eating pike and will be made by a new Manchester company, City Major. The company was set np by Mr Cliff Twemlow, who has written the screenplay and the book with the help of *local businessmen*.

A £250,000 electronic pike, 12 ft loog with 700 teeth, has heen made *for the film by* Ulvertech of Ulverston. It received its Press débnt on the lake.

Sea Princess ship-shape for maiden voyage

BY ANDREW FISHER, SHIPPING CORRESPONDENT

SEA PRINCESS, the luxury P & O cruise ship brought from Australia to the European market, was due to sail last night on her UK maiden cruise.

After a £2m refit in Southampton, with work continuing until yesterday, the 28,000-ton ship is on a two-week cruise to Athens, calling at Portugal, Sicily, Greece, Egypt aod Turkey.

Work on the Sea Princess was disrupted by the rapid fitting-out of the Canberra, P & O's *cruise flagship*, and Cunard's QE2 to carry troops to the Falklands.

Built by John Brown of Clydebank in 1966 the Sea Princess was *originally the Kungsholm*, owned by Swedish America Line. P & O acquired it in 1978.

The ship, leased by P & O from Finance for Shipping (part of Finance for Industry), carries 750 passengers. She is fully-booked for the first cruise. Next year she will go on a *90-day world cruise*.

Scunthorpe EEC aid plea

THE EXCLUSION of Scunthorpe from an £18.5m Common Market aid package for steel closure areas has been attscked hy *Mr Michael Brown*, Conservative MP for Brigg and Scunthorpe.

He pointed out that male unemployment in the area was nearly 30 per cent and that the steel *industry* had shed 10,000 jobs in the past five years.

The aid package will be used to *retrain* redundant steel workers and improve services.

Mr Brown said he would urge Mr Norman Lamont, Industry Minister, to put pressure on the European Coal and Steel Community to make *funds* available to the area.

He said the decision to exclude Scunthorpe had been made by the coal and steel community on the basis of two-year-old figures.

Public sector 'taking leading role in enterprise zone development'

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE public sector is tsking a much more prominent role in the development of the country's enterprise zones than had been expected. This is ooe of the main conclusions of the first report into the working of the zones, commissioned by the Department of the Enviroonent and undertaken by Roger Tym and Partners.

The report also found that the package of incentives to move into the zones offered to companies was larger than that originally offered by the Government and varied between zones.

Other conclusions are that the enterprise zone measures are most likely to be effective for concerns previously held back by a shortage of land rather than by deficient demand, and that the measures operate primarily through the property market, giving existing owners of land within the zones a key role in development.

Enterprise zones were launched by Sir Geoffrey Howe in his 1980 Budget as an experiment to see if smsll designated areas in which planning and other restrictions were kept to an absolute minimum could create rapid business development.

As an inducement, the Covernment offered any company within a zooe a 10-year rates-free holiday, abolished development land tax and gave 100 per cent allowances oo new buildings.

Eleven areas were eventually designated. However, the report only covers nine of them because the Belfast zone is considered to be a special case and the one in London's Isle of Dogs has only just begun to operate.

Roger Tym is mooitoring the experiment and the present conclusions are the result of a study of the scheme's first year. Further reports will be published on years two and three, with the report on year two being available in the autumn.

The present report is based on a sample 50 industrial and commercial concerns which were already in the zones before they were so designated, and a further 50 in surroundiog areas.

One finding which must cause some concern to the Government is that while there is a high level of awareness of the zones it appears most businessmen are unaware of the benefits offered within them. But a quarter of the sample companies operating outside the zooes expressed an interest io moving in.

There is, however, no information yet on the main criticism directed at the zones — that they merely attract companies already sited nearby rather than create new industry.

The pnblic sectors' major role arises from the large amounts of land which public bodies hold

It was found that 69 per cent of the land was in public hands and only 27 per cent held by private companies. About a quarter of the land space was ready for immediate development ooce the zooes were brought into operation.

It was found that the zone's environmental state was "generally poor" and that in many of them "almost any development would be an improvement."

The difference in incentives between the zooes, which the Government did not originally envisage, arises from the difference in resources which each local authority is putting in. — *M/C No. 40 8/8½ TKH* — Consequently, it is unlikely that any single measure or incentive will be the prime stimulant of developmeot.

Report from Roger Tym and Partners, 26, Craven St. London WC2. Price £30 plus VAT and postage.

UK NEWS

Tesco to launch price offensive

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE TESCO supermarket chain is to shut its 450 High Street food stores on Monday to prepare for a major price-cutting campaign which will be launched the following day.

This dramatic move is virtually a repeat of its successful "Operation Checkout" strategy in June 1977 which led to a fierce price war in Britain's High Streets.

Tesco's move is in response to the growth in market share by J. Sainsbury over the past year. Retail analysts were last night concerned that the Tesco attack would lead to a new price war among supermarket chains—with a harmful effect on profits—although there was a feeling in some quarters that response might be limited.

The decision to close for trading on Monday was taken to give staff time to re-price several hundred lines of stock. The company is also to launch a massive advertising campaign on Monday.

Tesco has played the showmanship game since the late Sir Jack Cohen first developed his "pile it high, sell it cheap" philosophy from his barrow in London's East End. The supermarket chain has taken determined stands — against resale price maintenance, for example — which have ensured that it has remained constantly in the public eye.

The policy has paid off and has made Tesco the largest single UK grocery retailer in terms of turnover, and, until recently, the overall leader in market share.

Over the past year, however, Tesco's paramount position in the High Street has been usurped by J. Sainsbury whose sales and profits growth in the past three years have made it the most successful retailer of the early 1980s.

Tesco's attempt to recover its lost leadership is based on a market strategy, launched in 1977.

The company has steadily moved its product range and store size and facilities up market. In 1978, it put into operation a five-year plan to revamp its image and modernise its stores, at a cost so far of £400m.

The up-market move involved extending sales of fresh foods and improvements in the quality of Tesco-label products. It has established nationwide panels of consumer and food technologists to monitor service levels and product quality.

Ironically, Tesco has moved steadily into areas of operation—fresh foods and own-label—where Sainsbury has spent a century establishing its reputation.

Sainsbury, meanwhile, has been lowering its prices to beat Tesco at its own game and has overtaken Tesco's market share monopoly. Sainsbury now controls 15 per cent while Tesco holds 13.5 per cent.

Through its price promotion strategy Tesco hopes to attract shoppers who may be unaware of the progress it has made in product range and quality over the past few years.

Although Tesco does not have the financial security that was available in 1977, it argues that a number of steps it has taken will help finance its new offensive. Late last year it completed an extensive review of its product ranges and control systems which enabled it to make substantial savings on stock levels.

The reaction from competitors may be mixed. Sainsbury is not expected to go all out in a price war, particularly since it is in the lead.

The ability of other national chains to match the Sainsbury and Tesco price levels is suspect, mainly because many do not want to see renewed price fighting break out in the High Street.

However, if Sainsbury and Tesco are let to battle it out, smaller chains are bound to suffer.

Shorts wins £7m order from Thais

By Our Belfast Correspondent

THAILAND'S national domestic airline, Thai Airways Company, yesterday placed orders with Short Bros of Belfast for four 30-seater aircraft worth about £7m.

The state-owned aircraft company said it was the first sale of the Shorts 330 commuter aircraft in South-East Asia.

The orders follow the airline's two-year search to find an aircraft that would substantially cut operating costs on feeder services.

Short Bros has received orders for 110 of the aircraft from 33 airlines since mid-1976.

Belfast investment

AMERICAN MONITOR International, the Belfast-based manufacturer of computerised blood-analysing systems and reagents, has signed a £3m funding agreement with the Danish-owned PRIVATbanken in London.

The agreement will provide working capital for the company's planned European expansion. It represents the bank's first investment in a Northern Ireland company.

American Monitor International was set up in 1980 as a joint venture between the Northern Ireland Development Agency and American Monitor Corporation of the U.S.

'Toy' guns pledge

TOY manufacturers will be consulted before restrictions on replica fire-arms come into operation, Mr Patrick Mayhew, Home Office Minister of State assured the Commons yesterday.

The Firearms Bill, a private members' measure which extends the provisions of the Fire-arms Act of 1958 to imitation guns—which are readily converted into lethal weapons—was given an unopposed third reading.

Vickers seeks cuts

THE Precise Components division in the world aerospace—which manufactures aero-engine components, mainly for the Rolls-Royce RB-211 engine—has asked unions to put forward proposals for a reduction in manning.

The company said the recession the world aerospace industry had led to a fall in demand for engine components. A cut in the workforce, now about 240, could probably be avoided if satisfactory short-time working arrangements could be agreed.

Black business aid

An eight-point plan which includes business start-up grants to aid black entrepreneurs has been agreed by the Greater London Council.

The plan involves setting-up a GLC-led Black Business and Community Enterprise Development Working Group which, it is hoped, will involve the Commission for Racial Equality, the clearing banks, the Departments of Industry and Environment, and black business interests.

Local planning authorities in the GLC area will be asked to consider the race-relations implications when they consider applications from black businesses

Co-op Bank attacks Barclays

BY ALAN FRIEDMAN

THE MANCHESTER-based Co-operative Bank yesterday accused Barclays Bank of timing its announcement of Saturday banking to distract attention from the Barclays plan to raise the minimum balance customers must keep in current accounts to qualify for free banking.

The Co-op said it could be no coincidence that Barclays' announcement came just two days after Barclays announced plans to increase from £50 to £100 the minimum balance customers must keep in their account to avoid paying bank charges.

The Co-op said it believed that "Barclays has chosen to time its announcement in order to distract attention and to overwhelm the negative impact of the news of an increase in the current account minimum."

The bank, which has 70 branches, said the Barclays Saturday programme would still fall "well short of the level of convenience enjoyed by our customers." This was because the bank opens about 1,000 Handybank in-store counters on Saturdays where customers can make deposits or cash cheques.

It has 3,600 Cash-a-Cheque points in Co-op stores open on Saturdays. Free banking is also offered to current account holders whose accounts are in credit.

The bank's 70 full branches are closed on Saturdays. In recent months the bank has expanded its services in store outlets, however, and it is trying to link its 7,000 retail outlets to banking.

Barclays Bank last night said: "The Co-op Bank statement seems tinged with desperation."

LP sales slow by 33 and a third

BY MAURICE SAMUELSON

SALES OF long-playing records in Britain are almost a third below the 1975 level, mainly because of increased home taping of cassettes.

For three years there has also been a steady fall in singles sales, although they are still far higher than in 1975, says the British Phonographic Industry Year Book, published this week.

The falling sales have forced the industry to contract so drastically that it is now unable to meet demand for singles and LPs, running at about 200m units a year. In 1978 it was able to produce 250m units.

UK deliveries of LPs were down to 64m units in 1981, from 67.4m in 1980 and 91.6m in 1975.

This has led the industry to cut staffing levels by about a third in four years. The industry claims to give employment directly or indirectly to about 40,000 people, although less than 10,000 work for record companies.

In contrast, with the LP market, retail sales of blank cassettes rose from 50m units in 1978 to more than 70m last year. Record imports have also risen.

Despite the recession, the industry claims that prices have fallen dramatically in real terms, with LPs nearly half the price and singles two-thirds the price 12 years ago.

Sales and rentals of pre-recorded videocassettes in the UK more than doubled in value last year to reach £55m, compared with £22m in 1980.

Retail outlets last year sold 1m prerecorded videos, worth £36m, compared with 500,000, worth £15m, the year before. However, a total 10.6m video cassettes were hired in 1981, compared with 3.8m in 1980.

UK DELIVERIES OR RECORDS AND PRE-RECORDED CASSETTES

	1981 m units	1981 £m	1980 m units	1980 £m	1975 m units	1975 £m
Singles	77.3	54.8	77.8	50.8	56.9	19.2
LPs	64	145.1	67.4	148.5	91.6	108
Pre-recorded cassettes	28.9	62.1	25.2	52.5	16.5	25.8

Source: British Phonographic Industry Year Book

Green light for Trafalgar's RDL deal

BY MAURICE SAMUELSON

THE LAST FAINT chance of preventing Trafalgar House's takeover of Redpath Dorman Long, the British Steel Corporation's former heavy engineering subsidiary, fizzled out yesterday with the Government's announcement that it would not be referred to the Monopolies and Mergers Commission.

Dr Gordon Borrie, director general of the Office of Fair Trading, had advised Lord Cockfield, Secretary of State for Trade, that the merger was not against the public interest and should not be referred to the Commission.

One objection to the sale was that it would have created a near monopoly in the UK heavy steel structural engineering sector in which Trafalgar's subsidiary, Cleveland Bridge and Engineering, is RDL's principal rival.

The OFT is understood to have concluded that any disadvantage of this nature would be far outweighed by the ability of Trafalgar's enlarged engineering interests to compete for major international contracts.

Although the merger is expected to cause up to 700 redundancies at RDL in the first year, it was concluded that the company's 3,200 employees would have had even less security as part of BSC.

The Steel Industry Management Association, one of nine unions at RDL which campaigned against the sale, said last night it was "disappointed and annoyed" that the OFT had rejected its arguments.

Trafalgar House management will meet representatives of the RDL workforce next Wednesday in York to explain its intentions.

Steps begin on training board closures

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

WINDING-UP ORDERS for half of the 16 statutory industrial training boards which the Government proposes to abolish were laid before Parliament yesterday.

The boards to go now are those covering air transport and travel; carpets; chemical and allied products; footwear, leather and fur skin; iron and steel; knitting, lace and net; man-made fibres, and wool, jute and flax.

In November the Government said 16 of the 23 boards were to be abolished, reflecting the belief industry should take more direct responsibility for training. Ministers stressed, however, that statutory boards would not be wound up until satisfactory voluntary arrangements were introduced.

Some industries have been slower than others to put forward voluntary alternatives. In a few cases Mr Peter Morrison, the Employment Minister with responsibility for training, forcefully reminded industry representatives that the Government would not wind up statutory boards until worthwhile alternatives were devised.

He said yesterday: "Within the next few weeks I hope to lay the remaining orders carrying through the decisions announced last November. There are, however, some industries where I am looking for further progress in setting up satisfactory alternative arrangements."

The statutory boards which still have winding-up orders outstanding cover ceramics, glass and mineral products; cotton and allied textiles; distributive industry; food, drink and and tobacco; furniture and timber; paper and paper products; printing and publishing, and shipbuilding.

Treasury denies 'rigging' economic forecast

BY DAVID MARSH

THE TREASURY yesterday hit back over TUC accusations that it has been "rigging" its forecasting mechanism. It set out a detailed reply to the criticisms and said they were "without foundation."

More in sorrow than in anger, Treasury officials said they were at a loss to understand how the TUC arrived at rosier growth projections by feeding an alternative economic strategy into the Treasury economic forecasting model.

A TUC economic paper presented on Wednesday charged that, by altering key variables, the Treasury had deliberately obtained pessimistic results when it ran the TUC's reflation proposals through its econometric model.

The exercise was carried out as part of April's meeting of the National Economic Development Council.

The Treasury's work showed that the TUC proposals—boosting public sector capital spending by £2bn and cutting VAT by 2.5 percentage points—would leave output and unemployment little changed or worse than they would otherwise be after five years.

The TUC claimed that the Treasury had made some key adjustments to the model to produce those results. Without these, it said, the model would produce a forecast showing higher output in the medium term.

One key reason for the disagreement is that the Treasury at the end of last year made changes in the model, partly to incorporate the increased influence of capital movements on interest rates following the ending of exchange controls.

The Treasury also adjusted the model to provide a better description of company sector behaviour. This, too, was probably not incorporated into the version of the model used by the TUC.

The Treasury accepted in its statement yesterday "there is legitimate room for debate about the nature of assumptions and judgments required" in the model. Officials, however, refuted claims that the recent changes were made in an underhand way to back up the Government's economic strategy.

"Neither the Chancellor nor any other minister is in any way involved in the design or operation of (the model)," the statement said.

The TUC alleged that the Treasury had introduced "confidence" effects in predicting the reaction of financial markets to reflationary changes in policy. It also said the Treasury deliberately altered company sector equations to allow changes in interest rates to affect output and employment more quickly.

LABOUR

Print union urged to take hard line on Bill

By John Lloyd and David Goodhart

HARDLINE OPPOSITION to the Government's proposed employment legislation is likely to be endorsed at next week's biennial conference of the Society of Graphical and Allied Trades, the country's biggest print union.

Sogat's national executive council, in an amendment to its own motion, calls for the exclusion from the TUC of any affiliated union which co-operates "with any aspect" of the employment Bill proposed by Mr Norman Tebbit, Employment Secretary.

The union's stance is specially significant because Mr Bill Keys, Sogat's general secretary, is chairman of the TUC's Employment Policy and Organisation Committee, whose task is to co-ordinate opposition to the legislation.

If the TUC adopts the Sogat position, any union co-operating in a closed shop ballot would be liable to expulsion from the TUC. It could even mean that senior officials repudiating their colleagues' unlawful actions to protect their funds could jeopardise their union's TUC membership.

The employment committee next week will receive a report showing that strong support is growing among normally-moderate white-collar unions for the TUC campaign.

The report, which observes that the campaign is moving on to a "war footing," says that both the non-political Banking, Insurance and Finance Union and the Communication Managers Association are showing militant opposition to the Bill.

Hoover dispute settled

MANAGEMENT and workers of Hoover have reached agreement on the future of the company's Cambuslang, Lanarkshire, factory.

At a meeting yesterday 1,500 of the 1,800 workforce voted for the agreement which allows the company to proceed with a £7m investment programme

The workers at Cambuslang have agreed on no pay increase this year and 7 per cent next year.

Hospital chief accuses strikers of breaching code on care

BY IVO DAWNAY, LABOUR STAFF

HEALTH SERVICE workers on strike at a new Merseyside hospital have failed to adhere to union guidelines aimed at ensuring adequate care of patients, NHS managers claimed yesterday.

Mr Brian Gibbs, administrator of 934-bed Arrow Park Hospital, Birkenhead, said the level of cover being provided was "totally unacceptable."

More than 500 porters, cleaners and domestic staff began a picket of the £35m hospital yesterday as part of a 24-hour stoppage in protest against the Government's refusal to improve its 4-6.4 per cent pay offer.

NHS union co-ordinators in Merseyside selected the hospital — opened by the Queen last week — as their first target in the escalating campaign for a 12 per cent pay rise.

Mr Gibbs claimed that workers had given assurances that basic services would be maintained, despite the ban on non-emergency admissions. However, staff declined to remove linen and specimens from wards or to continue cleaning duties.

Mr Grahame Nicholls, area officer for the National Union of Public Employees, denied that staff had reneged on the agreement. "The hospital authorities think of emergency services as normal working, but we assure them that there is no danger to life by our action."

Union co-ordinating committees across the country are continuing to develop plans for a national 24-hour stoppage on Wednesday.

The strongest support for the action appears to be emerging in the North West and in Northern Ireland.

All four Ulster health areas have been hit by one-day stoppages this week, affecting up to 30 hospitals. A committee representing the 10 unions involved met in Belfast yesterday to finalise plans for further action next week.

In Liverpool union negotiators failed to persuade the health authority to reduce services voluntarily to accident and emergency cover only. However, they warned that this should be achieved in a fortnight by staff sanctions and selective strikes.

Calls for laws on workers rights 'are misguided'

BY JOHN LLOYD, LABOUR EDITOR

A GOVERNMENT Minister has said that calls for legislation to require particular patterns of employee involvement in companies were "misguided."

The comment, by Mr David Waddington, a Junior Employment Minister, comes as pressure increases on the Government to respond positively to European Commission directives on industrial democracy and employee rights to information.

Mr Waddington told a personnel conference at Gatwick yesterday that "there is no system which will suit the needs of every company, and any system imposed by government would surely cut across and lead to the abandonment of schemes of partnership in some industries which are working well."

Mr Waddington said that time spent on employee involvement was one of the best investments an employer could make.

● Mr Norman Tebbit, the Employment Secretary, said yesterday that companies which failed to bring in new technology would fail their workforce because they would be forced to close.

'TUC studying worker co-ops'

By Our Labour Editor

MR LEN MURRAY, the TUC general secretary, said yesterday that the TUC was studying a possible role for workers' co-operatives in a future economic plan — on which talks between the trade union body and the Labour Party are advanced.

Mr Murray, was visiting the Unicorn shirt factory in Taunton, Somerset.

He told the 70 Unicorn workers, who last year continued production rather than take redundancy when the company planned to close the factory, that "anybody who thinks British workers are short of enterprise and determination should take a look at this shirt co-operative."

Esso workers plan disruptive action

BY OUR LABOUR STAFF

PROCESS WORKERS at Esso's Fawley refinery, Hampshire, are threatening to begin disruptive action in 10 days' time over an offer of an 8 per cent increase in basic pay and allowances.

The 760 oil and chemical workers plan to refuse to co-operate with new efficiency measures. Fawley—which has pursued productivity bargaining enthusiastically since the 1960s and has some of the highest pay rates in UK refineries—signed separate productivity deals in recent months with process and craft workers.

The process deal, agreed last October and implemented gradually, gave main grade workers an extra £20 on basic rates and £4.80 on shift allowances, bringing their pay to £10,600 a year.

In return they changed from a four- to a five-shift system and agreed to reduce manning levels. Some of these changes have still to be implemented.

The process workers, represented by the Transport and General Workers' Union seem broadly content with the company's offer of 8 per cent on basic pay but are asking for a greater increase in the shift allowance.

They argue that craft workers received a more advantageous efficiency deal because their productivity payment—£23 or £25 a week, depending on grade—was paid totally on basic rates. The craft workers have accepted an 8 per cent annual pay rise.

A rule of law for foreigner

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I have two friends, one an Italian and one a German who came to England many many years ago but have retained their foreign status. When speaking to them the other day I asked them whether they had made their wills and the answer was no. Should either of these persons die then which rule of law would apply, ie German or Italian or English as to the way in which the money will go between their respective families?

If, as seems most likely, the people you describe have acquired a domicile of choice in England (which is not governed by their nationality) they can make wills which would be effective to dispose of all property other than immovable property (realty) situate abroad. If they die intestate but domiciled in England their estates will be distributed according to the English law on intestacy, again with the exception of immovable property situated abroad.

Hurrying a tax refund

Is there any way in which I can hurry along a tax refund which is due to me? Three months have now elapsed since the date my accountants first estimated I might receive the amount that has been agreed with the local tax office and letters of enquiry have received no response.

If a letter marked for the attention of the District Inspector produces no response within a fortnight, try writing to the Secretary of the Board at Somerset House, Strand, London, WC2R 1LB, quoting the reference number for your file (which your accountants can tell you, if you do not know it).

VAT on gold coins

I had ordered some gold sovereigns through the bank on March 30 1982 just before the imposition of VAT on gold coins was announced. I collected the sovereigns on Friday April 2 and had to pay VAT. On inquiry, I was told by the bank that the price on sovereigns was as per the price on the day of placing the order, ie March 30. Was the bank right in charging me the VAT in spite of the order being placed prior to the announcement?

The new rules relating to VAT on gold coins came into force on April 1. VAT applies to "supplies" made on or after that date. A "supply" is made when you receive the goods, pay for them or the supplier issues a tax invoice whichever is the earliest. Therefore if you paid for the coins on March 30 no VAT is due. If VAT is correctly due the bank is entitled to increase its price to you unless you had a contract with them specifically stating that VAT could not be charged.

Double taxation relief

I am making an inquiry regarding my recent purchase of "De Beers Consolidated Mines" deferred ordinary shares R.0.05 (Regd). I have been informed by my stockbrokers, that I will be liable to pay 15 per cent South African tax as well as British tax but I may be able to claim double taxation relief.

How please do I claim double taxation relief. Will the dividend warrants be paid in foreign currency or sterling cheques?

The warrants will be in sterling, drawn on the company's London bankers. Double taxation relief will be allowed automatically, so there will be nothing for you to do.

Capital gains and a cottage

In 1968 I bought a cottage which was my permanent home until December 1971. In 1971 I left the district and the cottage became my second home, until 1980. In March 1980 the cottage again became my permanent home until I moved to my present address, in December of that year. I now wish to sell the cottage. What please, will be the position regarding Capital Gains Tax?

Broadly speaking, you will be chargeable to CGT on 56 per cent of the gain on the sale of the cottage, that is to say the proportion which (a) the number of days from your departure in December 1971 to your return in March 1980 bears to (b) the number of days from the signing of the purchase contract in 1968 to the signing of the sale contract this year—subject to a measure of indexation relief under clause 72 of the Finance Bill. The rules are to be found in section 102 of the Capital Gains Tax Act 1979, as amended.

You could ask your tax inspector for a free leaflet CGT4 (Capital gains tax: owner-occupied houses).

A pensioner in Spain

I live in Spain and am entitled to a part UK National Insurance pension when I reach 65 because of the payments I made between 1937 and 1950. I have been thinking that it might be advantageous for me to pay NI subscriptions on a voluntary basis, so that if my wife or I require medical treatment at any time in the future, we can in need obtain it in England. Is this the position?

The fact that you pay NI contributions has nothing to do with medical treatment. This you would get, if resident in the UK, whether you paid contributions or not. We would point out that if you are a British social security pensioner living in Spain, you can contribute to the local sickness insurance scheme.

هكذا من الأصل

THE WEEK IN THE MARKETS

Drifting towards the unexplored

LONDON
ONLOOKER

As the Falklands campaign dragged on through its sixth week, the market went on drifting gently upwsrds. The chance of a peaceful resolution to the conflict deters funds for selling, for fear of losing out in the resulting bull phase. But the possibility of things going hadly awry prevents huying on any scale.

If this paralysing dilemma could only be disposed of, the prevailing belief that UK interest rates are headed lower—even coupled with a rather mediocre stretch of industrial results—would probably lift the eqnity market into regions previously unexplored. The FT Industrial Ordinary Index reached a high for the yesr of 590.9 on Wednesday, though it has yet to threaten the 600-point barrier.

Actually, on Monday the FT-Actuaries 50u Share Index did break new ground, and the still wider All-Share Index scored the narrowest of misses. But—perhaps because they are not computed or published as quickly—these advances did not give the psychological boost which would be expected from a new high on the FT 30.

Composite crunch

Appalling first quarter losses from General Accident had brsced the market for very grim statements by Commercial Union and Royal Insurance during the past week. In the event, both companies reported losses—the first in living memory from the Royal — for the three months to March, but their shares actually recovered slightly on the news.

Ahead of the figures, the composite insurance sector was trading at its lowest point ever relative to the market. Even ignoring the extreme had weather losses, the underlying trend pointed to a continuing deterioration in underwriting experience and the shares of both companies reporting this week now offer double digit prospective yields.

CU announced a pre-tax loss of £1.7m, compared with a profit of £18.4m in the comparable quarter, while Royal reported an even more dramatic swing from a profit of £26.7m to a loss of £3.5m. But for a strong improvement in investment income, buoyed by the weaker pound and in Royal's case the benefit of rights issue cash, the figures would have looked even worse.

CU calculated that the severe winter weather cost an additional £21m in claims, after adjusting for volume growth and inflation. Royal said the weather created underwriting losses about £15m above expectations. Most of the damage was in the UK, although the southern and western states of the U.S. also reported a much higher incidence of claims than expected.

But the bsd weather is now past and the humble rating afforded the sector on the atock market owes more to the worsening of rates, particularly on commercial and industrial lines on both sides of the Atlantic. Both Royal and CU are increasing premium income in the U.S. at a lively rate, but in the worrying context of operating coats which are likely to average at least 110 per cent of premium income for the full yesr.

Royal has detected some selective firming in U.S. rates—it recently increased its rates on commercial multi-peril business—and is showing signs of recovery in Canada, mostly thanks to sharp retrenchment. But even if conditions in North America fail to meet the more pessimistic assumptions this year, there is a full consensus that, with the exception of motor rates and other personal lines, the position in the UK will go from bad to worse.

Coats' cover

Coats Patons has not suffered so much at the hands of the recession as some other companies in the textile sector. But the relative resilience in profits has been obtained only at the cost of a sharp diminution of their quality. The results in 1981 have accentuated the trend whereby earnings in places like the UK and Europe have heen replaced by those from South America.

For the year as a whole pre-tax profits have risen by 13½ per cent to £74.8m. The underlying performance is rather better than this, since the company made £5.7m less from the disposal of fixed assets. Nevertheless some £13m of the underlying £14.6m improvement can be attributed to the weakness of sterling, so the true performance is static—no mean feat in a period when volume has fallen a further 3½ per cent.

But whereas South America produced 29 per cent of profits before tax and loan interest in 1980, that proportion moved up to 42 per cent in 1981. In spite of some alackening in demand, the company waa able to compensate fully for the devaluation of local currencies. The trouble is that profits from South America can be very unreliable. But in a difficult yesr for many operations elsewhere, this contribution has at least meant thst cash income remitted from abrosd haa covered the UK dividend and associated ACT.

Elsewhere, the underlying picture in the UK has been steady, with Jaeger able to double its profits by restoring its margins, but there is atill a lot of hard work to be done in Europe before profits here start moving the right wsy sgain.

Multiple strife

This week produced another example of the amazing divergence of results which are coming out of the retail sector. On Monday British Home Stores published full year results showing an impressive profits advance of a fifth in the closing six months despite the winter weather. On Wednesday it was the turn of the not so wonderful Woolworth. For the three months to the end of April sales of £228m produced a loss of £2.4m compared with a £2m profit in the same period of 1981.

At the halfway stage BHS's profits statement made sorry reading. Pre-tsx profits bad fallen by 28 per cent to £7.6m but the group bounced back in the second half with s style that surprised the market and left full year profits £2.9m higher at £42.6m. Some expectations had heen as low as £35m.

Much of this sdvance can be traced to a change of fortune in BHS's cash flow which has resulted in a £2.5m turnround to interest receivable of £1.4m. The group pumped £25m of cash into its bank account in the summer of 1980 from a casb call on sbareholders. So it had the benefit of that for a full year though perhaps more unexpected (at least to outsiders) is that tighter stock control and a shortfall in capital expenditure against budget kept the balance sheet liquid. Also BHS's associate Income was beefed up by an extra £1.3m thanks to the success of Savacentre, the joint venture with Sainsbury.

Yet while the profit outcome is surprisingly good question marks linger over the underlying performance of the BHS outlets. Tighter financial control is one thing but the group has still to demonstrate that it can get its sales per sq ft moving forwards by sprucing up the image and selling higher value products. The volume it strives for remains elusive while Marks and Spencer's expansion into new product areas increases the competition between the two stores. And M and S is a formidable competitor.

Down the road at Woolworth the latest report does little to inspire hope. True it is the least important quarter but that makes it no less worrying. Gross margins have ben pstched up after the damage wrought by Operation Crackdown—last year's experiment which added 2½ per ceot to volume but cut deeply into profitability. Yet turnover is up barely ½ per cent so volume must have been pretty thin. Costs meantime have continued relentlessly upwards and net margins before interest and depreciation fell by almost a third.

Woolworth may be sitting on a pile of prime high street assets and there are quite a few "For Sale" boards up. But buyers are unlikely to be falling over themselves, and anyway selling off assets is not what retailing is about. The market remains nervous that Woolworth is going from had to worse.

Argyll's tender spot

The Office of Fair Trading now has a full band of competition cases to consider. This spring has seen its usual quota of takeover deals on the London stock market and, in at least three iostances, the OFT is required to rule on trsding policy.

In band, and for decision by the early days of June, is the fate of a large, growlog, Scottish engineering group, Anderson Strathclyde, straining to swim free of the £64m hook cast by mining finance group, Charter Consolidated.

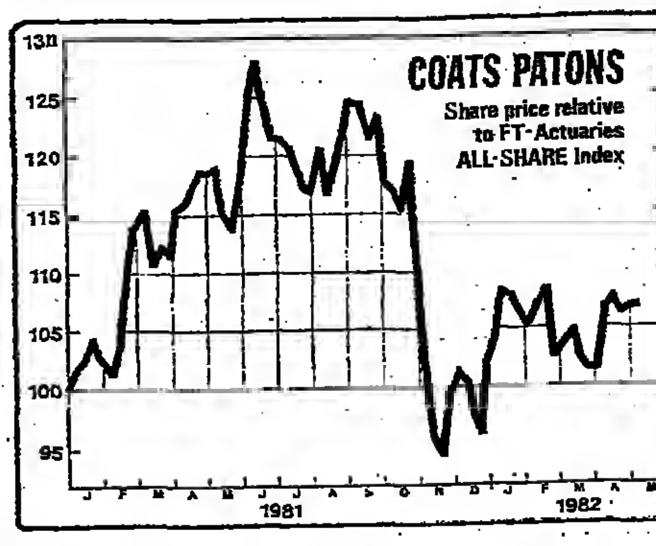
Another urgent decision is that of Empire Stores, willingly embracing the bid proposals of the giant of its particular trade, catalogue mail order, Great Universal Stores.

By far the largest of these cases, however, is Allied Suppliers. The proprietor, Sir James Goldsmith, is U.S.-bound and aiming to leave behind him an efficient, cash generating chain of Liptons and Presto atures.

The prospective buyer of Sir James' legacy is Argyll Foods, a retailing snd distribution group built from almost nothing over the last few years by the entrepreneurial skills of Mr Jsmes Gulliver.

Argyll's proposals have been put together with a sensitive hsod. Mr Gulliver is, in effect, preparing to refloat a major force in food retailing in the UK with a closed-end tender for sale of 95m new Argyll shsres.

The underwriting for this hold stroke was completed during the week with a facility which can only point to the City's ready acceptance of Argyll's prime ambition — to capture the number four slot in the supermarkets business and to build from there.



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981-82 High	1981-82 Low	
F.T. Govt. Secs. Index	69.15	+ 0.77	69.55	61.89	Small support on int. rate hopes
F.T. Ind. Ord. Index	590.6	+ 7.3	590.9	518.1	Late buying for new Account
Akroyd & Smithers	212	+19	215	160	Good interim results
Bambers	25	−11	64	23	Rumours of Boardroom rift
Bowthorpe	268	+14	275	178	Defence spending hopes
Chemring	365	+60	365	232	Defence spending hopes
Dalgety	295	−21	338	286	Broker's circular
Glaxo	690	+57	690	418	Hopes for Zantac drug in U.S.
Guinness Peat	80	+10	95	58	Talks on sale of commodity ints.
Heath (C.E.)	345	+25	350	273	Results due next Tuesday.
Inter-City Investments	58	+ 8	64	15½	Revived bid speculation
King & Shaxson	98	+15	98	78	Annual results
Metramar Minerals	14	− 4	28	12	Pisces 1 well abandoned
Ranger Oil	345	+65	422	240	Transatlantic influences
S. & V. Stores	19	+ 6	19	10	Speculative interest
Trident T.V. A	77	− 5½	100	62	Casino licence decisions
Tysons (Contractors)	44	+ 9	44	25	Sharply increased profits
Ultramar	430	−20	497	335	Disappointing 1st ¼ statement
Vaux Breweries	152	+17	152	123	Int. figs. above expectations
Western Mining	220	−18	247	200	Esso pulls out of Yeelirrie

Pause for breath

NEW YORK
RICHARD LAMBERT

WALL STREET has paused for breath in the past few days, after the gains of a week ago. There was a noticeably more sober tone in the bond market, as it became clear that reports of a budget compromise were decidedly premature, and a sharp fall in the money supply figures announced eight days ago has had no noticeable effect on sbort term money rates.

Share prices gave up roughly half their gains of the previous week, with a fall of over 8 points in the Dow Jones industrial on Monday. But business was relatively quiet, and the underlying trend still looks rather healthy.

A noteworthy feature of the past fortnight has been the renewed strength of the oil sector, which has been especially evident on the American Stock Exchange, home of some of the more speculative energy plays. The index of this market has outperformed the Dow in the past couple of weeks, reflecting a growing belief that the price of oil has passed its low point and that inventories are getting into much better shape thsn was the case earlier this year.

Oil sbares led the way when the market moved up on Tuesday, and shares like Standard Oil (Ohio) and Exxon were particularly active. There were sharp gains, too, in secondary issues like Dome and Ranger.

The airline sector was another strong feature, following Braniff's move to file for bankruptcy in the esrly hours of Thursdsy morning. One of the biggest gainers was American Airlines, which was Braniff's deadly rival at the hub of the Dallas/Fort Worth route network, and which has been badly squeezed by its ailing competitor's attempt to generate cash flow by slashing its prices.

For soundly based companies like American, Braniff's demise is obviously good news. It will help to underwrite the improvement in capacity utilisation and passenger yields which already seems to be under way in the U.S. airline industry. But a two-tier market is developing in the share prices of this sector, with a distinction being drawn between strong companies like Delta and airlines like Western, Continental, Republic or World all of which had their latest reports qualified by their auditors.

On the downside, one of the biggest losers of the week was Cigna Corp., the product of a recent $4bn plus merger between Connecticut General and INA. While UK insurers like Royal and Commercial Union were spelling out the horrors of their first quarter, Cigna came out with some numbers which really jolted its admirers. On a pro forma basis, operating earnings in the first three months of 1982 were down by a half, and the combined operating ratio had soared from 107.9 per cent to nearly 116 per cent.

Cigna's shares did not open for trading on Thursday morning, such was the flood of selling orders. Its management made comforting noises about the merged company's ability to overcome the current problems of the insurance sector, but analysts were not appeased. Until recently, many had been projecting earnings this year of well over $9 a share. Now the range seems to be somewhere between $6.25 and $7.25 per share, and the price tumbled by over 4.5 points when trading eventually got under way on Thursday.

General Motors was another stock which failed to open on the bell one morning this week, but in this case the delay was due to buying pressure. The news was that the Street's star auto analyst, Maryann Keller of Paine Webber Mitchell Hutchins, had changed her long standing negative opinion about GM's long term potential, and wss recommending a purchase for both short and long term gains.

Her argument is that GM's management has started to take a much more realistic approach to its problems. At one stage, the company believed that it could simply spend its way back to health, and it seriously underestimated the cost advantages of its Japanese competitors. But the problems of its U.S. built J car, launched at enormous expense late last spring, seem to have led to a change of strategy.

Ms Keller says that "two events signal a possible dramatic change to U.S.: the potential joint venture with Toyota and GM's joint venture with Fujitsu Fanuc to design, build and market robots in the U.S.

Monday	860.92	+8.28
Tuesday	865.87	+4.95
Wednesday	865.77	−0.10
Thursday	859.11	−6.66

How to save it

MINING
GEORGE MILLINGSTANLEY

NO, IT'S NOT the new name for my colleague Lucia van der Post's How To Spend It psge; this column really is about mining.

Mining companies are much more accustomed to spending money, usually in substantial amounts, than to saving it. The prolonged nature of the current recession, however, and in particular its depressing influence on metal prices, have forced the world's leading metal producers to look at ways of saving money.

Financial resources are rapidly being eroded, what with the recent spate of losses for the first quarter of this year and the need to finance growing stockpiles of unwanted metals.

The companies have therefore bad to turn their attention to finding ways of preserving their financial strength, so that they will be in a position to benefit from the upturn in metal prices, when it eventually arrives.

Amax of the U.S. is a prime example. This group, the world's leading producer of the steel-hardening agent molybdenum, recognises that the mining industry is currently facing one of its greatest challenges for decades, and has set about tackling the problems with its customary vigour.

Mr Pierre Gousseland, the group's chairman, outlined some of the steps Amax is taking on a visit to London *this week*.

In the short term, Amax has had no option but to follow the painful course of laying off staff. The group's workforce has *already* been reduced by 2,500 from last year's level, and s further 650 jobs are to go next month.

For the long term, the group has postponed several big expansion projects, and consequently expects capital spending to fall this year by more than $250m (£136m) from the 1981 level of around $600m.

Prieska Copper Mines in South Africa's **Anglovaal** group is another company which has had to take a long, hard look at its capital expenditure plans.

This mine, in the north-west Cape area, has sufficient ore at the depths currently being developed to stay in operation until about the first quarter of 1985, at its present milling rate of some 700,000 tonnes a quarter.

Thereafter, Prieska will wind down fairly quickly, with production ceasing altogether in the third or fourth quarter of the same year.

There are substantial tonnages available at deeper levels in the mine, enough to extend its life for about a year, but Prieska has decided that the necessary expenditure of R9m (£4.7m) to exploit this additional ore is not justified.

Of course, a sustained improvement in metal prices could change the picture radically, and the mine plans to remain sufficiently flexible to be in a position to take advantage of any upturn.

Rio Tinto Mining (Zimbabwe), the **Rio Tinto-Zinc** group's 56 per cent-owned subsidiary, is also looking for ways to save money. The company lost a net Z$1.12m (£843,000) in the first three months of this year, largely as a result of a very disappointing performance by the base metals division.

Mr Bill Rickards, in his last address to the annual meeting as chairman, warned that the Empress nickel mine is experiencing severe difficulties

The whole operation is now under review, Mr Rickards said, and will have to be put on a care and maintenance basis until metal prices show a substantial improvement unless a solution can be found in the next few months.

Saving money was not the prime motive for the announcement this week of the capital restructuring at Australia's financially-troubled Seltrust Holdings, although there is an immediate small casb benefit to the company.

Seltrust, owned as to 78.8 per cent by British Petroleum through its Selection Trust subsidiary, has had to defer the annual 17.5 cents (10p) dividend due on its preferential "Z" shares on several occasions.

The accumulated total on June 30 this year would be about A$6m (£3.5m), and Seltrust is asking holders of the "Z" shares to waive their entitlement to this sum and convert their holdings into "A" ordinary shares, in the ratio of five "A" for every three "Z" shares held.

While Seltrust reported that initial shareholders reaction seemed quite favourable, there were signs that the directors might come under some pressure at the meeting in Perth on June 21 to make the terms a little more generous.

YOUR SAVINGS AND INVESTMENTS

Where wealth is today

REGARDING SAVINGS as a virtue is fine if the savings can be used to finance investment. But savings lose their significance if businessmen have no confidence to invest or can find no profitable use for the funds. Pointing this out, Mr Leon Brittan, Chief Secretary to the Treasury, put a question mark over hopes expressed at a symposium in London last week to consider "a fair deal for savers and investors."

Mr Brittan identified inflation as the big bogeyman that had upset the whole savings equation. He pointed out to the meeting, jointly organised by the Savers' Union and the Wider Share Ownership Council, that over the last decade the investors, following authoritative advice, had seen their savings shrink to a vestige of their former value while other people (home buyers, for example) had made unheard-of gains.

Lower inflation will mean smaller differences in the returns from different savings media. The good news on this front was Mr Brittan's forecast that the Retail Price Index should show inflation down to 7½ per cent by the middle of 1983.

As to the call for wider share ownership, he acknowledged that the proportion of company shares in the hands of individuals had continued to fall over the years. The real secret to reversing this trend was a real increase in prosperity and wealth. Without that, we would not have a market to invest in.

He closed by sniping at the people who were seeking to improve the saver's lot by improving his treatment under the taxation system. It was more important to think about the corporate plans of the more innovative companies, he said.

Sir Nicholas Goodison, chairman of the London Stock Exchange, told the symposium which included pension fund managers from a number of major companies including ICI, a pioneer in employee share ownership, that there seemed to be a strong political bias against putting capital into risk capital of industry and commerce.

This originated from the days when direct equity investors were middle-class people with secure homes and secure lives. The pattern has changed dramatically over the past 30 years. Real wealth today is in people, homes and pensions. An inflation-linked pension offers a value that is out of all proportion to the savings that an ordinary person can hope to achieve in a lifetime.

"I think that as long as we go on talking about private industry, private clients, private wealth and privatisation, people will identify the description 'public' with good and 'private' with bad."

Therefore the selling off of sections of nationalised industries should not be called privatisation, but "true public ownership."

Chris Cameron-Jones

Saturday banking: **Alan Friedman** reports

Barclays want the money

BARCLAYS BANK is opening 400 branches on Saturdays from this autumn and the most telling verdict yet recorded came yesterday morning from a taxi driver navigating his cab through the streets of central London. What was his reaction to the Barclays move?

"I think it's great, really great. I've been meaning to open a bank account, but I never get round to it. I think I'll take the wife round to Barclays and open one on a Saturday."

This is precisely what Barclays is aiming for—new accounts and fresh deposit money. The bank estimates that nearly 4.5m working people do not have any form of cheque account and suggests that many would open an account if they could get to a branch on a Saturday.

But no one should assume that Barclays is acting because of its social conscience or its altruistic feeling toward customers. The main reason why Barclays has reversed its policy and decided to open 400 branches between the hours of 9.30 and noon on Saturdays is the bank wants more "free money"—the attractive current account deposits of the personal customer market.

Mr John Quinton, senior general manager at Barclays, made it clear on Thursday that the bank was tired of watching building societies garnering this market. He estimated that 30 per cent of building society deposits are made on Saturdays, when the societies are open, and this was a key reason why building society deposits had grown to £56.4bn last year as against £41.2bn for the banks.

"The building societies have £15bn more deposits than the banks. We want some share of the £15bn," Mr Quinton declared.

Barclays is not alone in its desire. The other major UK banks are also distressed by the growth of building society deposits. Why are personal deposits so attractive for banks? The Barclays Bank statistics should illustrate the reasons.

Of its deposit accounts, around 75 per cent of the balances come from personal customers. Around 50 per cent of current account balances come from personal customers.

Last year, however, the bank only lent back 25 per cent of its personal deposits. With high interest rates the remaining balance was a useful source of working capital and income.

In addition to the Barclays move this week, Lloyds and National Westminster also announced developments which will sharpen the competition between banks and building societies.

Lloyds is entering the estate agency business, purchasing a Norfolk-based six-office chain called Charles Hawkins. A new Lloyds subsidiary, Black Horse Agencies, will co-ordinate the bank's ventures in this business.

Mr Roy Mercer, general manager of Black Horse Agencies, explained the bank's rationale: "We are in the house mortgage market totally and utterly. We are there to stay and we want to sell a package of services on a one-stop basis."

NatWest, meanwhile, is also going after the building societies with a revised mortgage service which offers advances of 100 per cent on properties up to £40,000 and 95 per cent for houses over £40,000.

The combination this week of the Barclays, Lloyds and NatWest moves demonstrates the determination of the banks to tackle the societies and to waste no effort to do so. Barclays in particular is taking a bit of a gamble, spending around £5m annually on its Saturday branch openings, but the bank can afford this risk.

At the Building Societies Association, Mr Richard Weir, secretary-general, said yesterday that the increased competition would benefit the consumer. He pointed out, however, that building societies still have longer opening hours and added that their branches are more specialised than banks when it comes to personal finance.

The most serious challenge to building societies, according to Mr Weir, is the Barclays Saturday move. "It is a significant increase in competition and will make Barclays a more attractive prospect to the personal sector," he commented.

Mr Clive Thornton, the chief general manager of the Abbey National, went further and accused the banks of not having been responsive enough to the consumer in the past. He welcomed the Saturday openings as healthy competition, but said it was still not enough for the consumer.

"Sooner or later the clearing banks will have to face up to the fact that customers want current accounts which pay interest," Mr Thornton added.

Mr Thornton has a point. It has taken Barclays 13 years to change its mind about Saturday openings even though its research showed recently that 83 per cent of its sampling favoured Saturdays. The banks are not releasing their research data on current accounts which pay interest and still insist it would be too costly. But Britain is one of the few countries in the industrialised Western world where banks do not pay interest on current accounts.

As for opening hours, Britain is also behind several of its allies. In the U.S. many banks open Saturday mornings, a number are open on weekday evenings and there are even branches which open between the hours of 5.30 and 7.30 in the morning.

The Barclays move is an overdue decision. Other UK banks are now preparing contingency plans and will follow the Barclays example provided it seems profitable. In the meantime, the competition between Britain's banks and building societies promises to be keen. And for the consumer, competition should mean better choice for services.

MAJOR BANK MORTGAGE LENDING

	Lending to Date	No. of Borrowers
Barclays	£1.35bn	60,000
NatWest	£800m	30,000
Lloyds	£609m	28,400
Midland	£470m	22,100
Williams and Glyn's	£147m	6,000

The Pru, American-style

AT A time when many British investors are considering whether this could be the right moment to move more strongly into U.S. investments, it is intriguing to note just how radically some of the biggest American financial institutions have been changing their own ideas about the right kind of investment.

There is no better example than the Prudential Insurance Company of America, which has some $60bn of funds under management and expects to invest about $5.7bn of new money this year.

Some of its senior investment men were talking in New York this week about where they plan to put all that money—and their message was that the Pru's investment strategy has changed almost out of recognition in recent years.

As recently as 1978, over 50 per cent of the Pru's new funds went into the fixed rate private placement market—mainly in long term loans to companies. Just 7 per cent went into real estate. In 1982, by way of contrast, the Pru expects to put only 7 per cent of its cash into fixed rate private placements—and 33 per cent into property.

The company has moved aggressively into equity-type financing—such as management buyouts and oil and gas exploration—and is building a big international equity portfolio almost from scratch. It is "very, very attracted" to the idea of such fancy new forms of investment as stock index options and futures.

This radically new approach is the result of the devastating impact of inflation on the real value of the Pru's enormous portfolio of fixed rate bonds and mortgages built up over past years.

The trend in inflation has improved substantially in recent months, but "we are not convinced that the U.S. has permanently solved the problem" says vice chairman Mr Frank Hoenemeyer. He takes a very cautious view of the outlook for interest rates and, accordingly, of bond and equity prices over the next year or so.

The Pru is maintaining an above-average margin of liquidity in its pension portfolios—typically about 20 per cent—and believes that although the rally in the equity market might have another 5 per cent or so to go, the uncertain prospects for the economy could pose big problems. Some of its fund managers do not rule out a return to the low points of last March.

Mr Hoenemeyer argues that a great deal depends on what takes place in the Congress during the next 30 to 60 days. What happens if a satisfactory budget compromise is finally reached?

He would probably throw the weight of his money into equities, on the view that they are likely to outperform bonds over the long term. The climate for company earnings would, he considers, be very substantially improved if the government could get its fiscal policy into shape.

The Pru has been building up its international investments significantly over the last year. It now has around $40m of foreign equities, and is heading towards $75m by the year-end. That is still a tiny proportion of the equity portfolio, and the company would be happy to see the overseas element climb to at least 10 per cent over the next few years.

But in spite of the emphasis on equity-type investment, Mr Hoenemeyer would not be unhappy if his view on U.S. interest rates turned out to be too cautious. "We still have a very large percentage of our portfolio in long-term bonds and mortgages," he points out. If the picture does improve radically, the American Pru will—in terms of sheer dollars—be one of the biggest winners.

Richard Lambert

HOW PRUDENTIAL OF AMERICA INVESTS ITS MONEY

	% of net investment 1978 (actual)	1982 (planned)
Fixed rate private placements	52	7
Floating rate private placements	2	7
Public issues	6	19
Equity-type private placements	2	8
Mortgages	22	4
Real Estate	7	33
Common stocks	—1	11
Cash and equivalent	10	11
	100	100

More cover from TSB

THREE YEARS ago, the TSB Trust Company, the insurance and investment arm of the Trustee Savings Bank, launched its two home insurance contracts. They were and still are among the cheapest and certainly the most straightforward of all household insurance contracts—both for buildings and contents.

The essential feature of the contracts is that the householder, if he so wishes, can accept the TSB's valuation of his house and its contents and not suffer any penalties for possible underinsurance. The sum insured is kept up-to-date by automatic index-linking.

TSB's underwriter, Provincial Insurance, has estimated rebuilding costs for various types and sizes of house or bungalow, and has assured a typical value of the contents. These values are taken as the minimum sums insured and the householder can insure his house and the contents for these sums. For example, the present value of a three-bedroomed detached house in the provinces is £45,000 and the contents £18,000.

This method saves the householder the hassle of measuring the area covered by his house and the chore of trying to add up the current replacement values of all his possessions. If a claim occurs, the TSB will pay out without deduction up to the sum insured.

Of course, the householder is free to insure for a higher figure if he feels that the minimum sums insured are inadequate.

But the contents policy does not provide complete cover for the householder. It covers only the normal hazards of fire, theft, floods and storm damage to the contents within the house.

But for jewellery, furs, watches, binoculars guns and other expensive and moveable possessions, much wider cover is needed to include accidental damage in and outside the house and for loss or theft outside. This wider cover is known technically by the name "All Risks."

On June 1, the third anniversary of the household contracts, TSB is introducing its Extended Contents Policy to provide this all risks cover. A householder must hold a contents policy before he can take out this new cover.

The TSB has maintained its principle of keeping the contract simple. The minimum sum insured is 10 per cent of the minimum contents sum insured, with the individual categories, such as jewellery, insured for 15 per cent of the overall minimum.

Of course, the householder can make his own individual valuation if he feels that the minimum is too low. For extended contents, this will usually be necessary to take into account the considerable variation between households in the amount of valuable possessions owned.

The premiums for extended cover vary with the area of residence, since the theft risk varies considerably from London to the country areas. Cover of £1,800 would cost £59.40 in London and £28.20 elsewhere. This compares with £63.00 from Sun Alliance for residence in most London areas and £27.00 for residence in the country. Thus for this new contract premiums would appear to be around the market level.

ERIC SHORT

Cats . . . a 100 per cent winner

Flights of angels

A CHANCE MEETING on a cricket field turned Mr Charles Fry into an angel. Over a drink after the game, a fellow cricketer encouraged Mr Fry, a director of financial advisers Johnson Fry, to invest in a musical he was preparing for the London stage.

The fellow cricketer was Tim Rice, the musical was Evita and the profits for Mr Fry and the clients who invested are still rolling in. Since that drink, Mr Fry has turned more of Johnson Fry's investment clients into "angels"—backers of stage productions—and his theatre business continues to grow.

But with three flops and two hits now notched on his belt, Mr Fry is cautious about the lure of the stage. "It's an almost sure-fire way to lose money," he says.

He generally counsels clients to divide the money they want to invest into five parts and sponsor five different shows. "You might win in one out of five and even that much is better than the average," says Mr Fry.

The one big winner, of course, provides the bait. The 25 investors that Mr Fry channelled into Evita have since received £3,780 on top of the repayment of their original £7,000 stake. Each time the show clears £100,000 they each get a cheque for £135.

During the train strike this year, the show actually lost money and cheques thinned out. But it is now thriving again, with the pay-outs arriving about once every two months. Johnson Fry takes 10 per cent of the return once the investor has recouped the stake.

With a background in personal and corporate financial planning, Mr Fry admits that he is "your run-of-the-mill, average, uninformed theatre buff." Not surprisingly, he admits to choosing some real flops.

The first was The French Have a Song for It, which swallowed up £10,000 of his clients' money and closed after three weeks. Mr Fry had a personal introduction to the producer, whom he liked. On opening night, however, he knew it was a loser.

"I hated it," he says. The next mistake was putting clients' money behind a woman who wanted to produce Shakespeare for students around the country. "The van with all the scenery turned over on the motorway. The actors rebelled, wanting more money. It was a mess." Luckily only £5,000 went into that production.

Sweeney Todd, however, was a far cry from provincial Shakespeare. "It was a Stigwood production, with Harold Prince and all the right people working on it." But again his opening night reaction proved correct: "I came out of the show depressed." Of the £25,000 invested, Johnson Fry got back 7 per cent.

That was about 18 months ago. Since then, Mr Fry has organised a syndicate for Cats and the new Andrew Lloyd Webber show, Song and Dance. Cats has proved a resounding success, paying back Mr Fry's clients at a rate of 100 per cent a year. The show's profitability meant that getting in on Song and Dance was difficult.

"I had 10 days to get the money together before they closed down. The most we could get in was £3,000."

Mr Fry is informed of approaching shows through the post and then contacts interested customers by return mail. They have to act swiftly and are not guaranteed free opening night tickets. "These days you usually have to pay for them," he says.

An investor who put, say, £500, into each of his first five shows would be just about breaking even, with losses reducing the tax liability on the gains. But with Cats and Evita still running, the investor would now be looking towards a 200 per cent return in the next 12 months he says.

A potential plunger should note that losses on theatrical productions cannot be offset, in almost all instances, against any other kind of income with the exception of other theatrical investments. As a result, Mr Fry will scale down investments which he believes are too much for the particular customer to gamble.

One, a teacher from the East End, wanted to put £1,000 into Fear and Loathing in Las Vegas, which opened this week. He accepted £500 and they both went to the opening night. The result: "I think she was very glad I scaled her back."

Carla Rapoport

BASE LENDING RATES

A.B.N. Bank	13 %
Allied Irish Bank	13 %
American Express Bk.	13 %
Amro Bank	13 %
Henry Ansbacher	13 %
Arbuthnot Latham	13 %
Associates Cap. Corp.	13 %
Banco de Bilbao	13 %
BCCI	13 %
Bank Hapoalim BM	13 %
Bank Leumi (UK) plc	13 %
Bank of Cyprus	13 %
Bank Street Sec. Ltd.	14 %
Bank of N.S.W.	13 %
Banque Belge Ltd.	13 %
Banque du Rhone et de la Tamise S.A.	13½%
Barclays Bank	13 %
Beneficial Trust Ltd	14 %
Bremar Holdings Ltd.	14 %
Brit. Bank of Mid. East	13 %
■ Brown Shipley	13 %
Canada Perm't Trust	13½%
Castle Court Trust Ltd	13½%
Cavendish G'ty T'st Ltd.	14 %
Cayzer Ltd.	13 %
Cedar Holdings	13 %
■ Charterhouse Japhet	13 %
Choulartons	13½%
Citibank Savings	¶12¾%
Clydesdale Bank	13 %
C. E. Coates	14 %
Comm Bk of Near East	13 %
Consolidated Credits	13 %
Co-operative Bank	*13 %
Corinthian Secs.	13 %
The Cyprus Popular Bk.	13 %
Duncan Lawrie	13 %
Eagil Trust	13 %
E.T. Trust	13 %
Exeter Trust Ltd.	14 %
First Nat. Fin. Corp.	15½%
First Nat. Secs. Ltd.	15½%
Robert Fraser	14 %
Grindlays Bank	‡13 %
■ Guinness Mahon	13 %
■ Hambros Bank	13 %
Heritable & Gen. Trust	13 %
■ Hill Samuel	§13 %
C. Hoare & Co.	†13 %
Hongkong & Shanghai	13 %
Kingsnorth Trust Ltd.	14 %
Knowsley & Co. Ltd.	13½%
Lloyds Bank	13 %
Mallinhall Limited	13 %
Edward Manson & Co.	14 %
Midland Bank	13 %
■ Samuel Montagu	13 %
■ Morgan Grenfell	13 %
National Westminster	13 %
Norwich General Trust	13 %
P. S. Refson & Co.	13 %
Roxburghe Guarantee	13½%
E. S. Schwab	13 %
Slavenburg's Bank	13 %
Standard Chartered	‖13 %
Trade Dev. Bank	13 %
Trustee Savings Bank	13 %
TCB Ltd.	13 %
United Bank of Kuwait	13 %
Whiteaway Laidlaw	13½%
Williams & Glyn's	13 %
Wintrust Secs. Ltd.	13 %
Yorkshire Bank	13 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%. 1-month 10.25%. Short term £8,000/12 month 12.5%.
† 7-day deposits on sums of: under £10,000 10¼%. £10,000 up to £50,000 11%. £50,000 and over 11½%.
‡ Call deposits £1,000 and over 10%.
‖ 21-day deposits over £1,000 11¼%.
§ Demand deposits 10¼%.
¶ Mortgage base rate.

With demand still declining in the salerooms, there is an opportunity to buy at bargain prices.

This is a very good time to buy pictures

BY ANTHONY THORNCROFT

IT USED to be thought that art was recession proof and for a time the UK picture market held up quite well while the economy went into decline. Now many dealers and salesrooms are suffering. The belated adverse impact owes much to the falling away of overseas demand. London in particular is perhaps still the leading international art centre and until last year buying by Continental and Japanese dealers and collectors compensated for the fall in demand from the British.

Now this underpinning is much weakened. The only bright spot is the U.S. The strength of the dollar could bring more picture-collecting American visitors to the UK this summer. In the main, most sectors of the market have now experienced two bad years, with no substantial relief in sight.

There are, however, bright sectors—in particular British paintings of the early 20th century. Artists like Sickert and Clausen, Orpen and Ginner, were undervalued and under-appreciated for years. Works which could have been acquired for less than £2,000 five years ago are now selling for £10,000 and more. The renewed interest in groups like the Camden Town school, and, from a slightly earlier period, the Newlyn school came initially from private collectors but now dealers are competing busily for works produced up to 1939. Of course artists like Munnings never went out of fashion and his paintings are reliable sellers.

Be watchful

Unfortunately the other area which is booming, the post 1945 New York school, hardly affects the British art market. Last week Christies managed 14 artists' records in a sale of contemporary art in New York but the Americans are basically buying their own, and although it might seem irrational to pay over £200,000 for a painting by Frank Stella or Jackson Pollock when you could get a very good Old Master for a similar sum this confirms the fact that any American painting of quality from 1800 onwards is desirable to Americans: there are quite a few languishing in the UK, so keep an eye open.

In the main, though, things are not what they were three years ago. Still, Impressionists and 20th century international paintings are doing quite well, with greater interest about the surrealists in the past year. Among the modern masters Utrillo seems to be in favour while Picasso is out of fashion. The great majority of Impressionist and modern works sent for auction in the UK are sold by overseas vendors and bought by overseas collectors and dealers. London acts as the clearing house, used for its expertise.

The greater resources of the salerooms, backed by advertising campaigns, have enabled them to capture a large chunk of the market from the dealers. But dealers, less willing to hold on to unsold stock in a period of high interest rates, are becoming more adaptable, and using the salerooms to dispose of less desirable works, perhaps for a small profit. Despite their differences the auction houses need the dealers—their main buyers and sellers—and the dealers need the enormous throughput of the auction houses: in recent months, Christies, South Kensington, has been disposing of 500 lots in every picture sale.

The basic facts about the current market are that works of outstanding quality can command exceptional prices (although few of them appear on the market, especially among the Old Masters), but tired, much touted, over-restored, paintings in the £5,000 and under range are finding few buyers. Anyone with a picture to sell should be careful to offer it to a dealer or auction house un-restored and in its dirty natural state.

Another feature of the picture sales this year is their unpredictability. If foreign dealers are in town a sale can do well, but in sectors such as Victorian paintings and Old Masters where a few years ago the experts could be reasonably sure that the works would go at their forecast, or above, now the guidelines are obscure. The dealers who would pick up the routine pictures in the £500 to £2,000 range may well be absent. Even master works can have problems: the last great painting to be sold in London, a Poussin at Christie's a year ago, failed to find a buyer in the auction room but went later for £1.65m.

This suggests that all the publicity about rising prices in recent years has encouraged vendors to expect very high values and currently there are just not enough rich buyers around. There is also the problem of getting an export licence and the growing popularity of private treaty sales which now receive more Government encouragement.

So this is a very good time to buy pictures, either through the dealers, who are reviewed by William Packer, or the salerooms. Areas tipped as currently under-valued include Victorian drawings and English watercolours. Prices are rising fastest in specialist sectors, such as Scottish and Irish paintings, boosted by popular national sentiment. Old standbys like Victorian landscapes are currently cheap, and pretty decorative works are also, unusually, available at bargain prices.

Paintings should never be bought as an investment. They should be collected because they enhance the life of the buyer.

The fact that the growing scarcity of really fine works of art makes a price appreciation almost inevitable should be regarded as a bonus. But it is only the best paintings that have an investment plus and what makes the best can only be determined by the potential buyer developing his own eye, guided by expert advice.

Extract from Sir Alfred Munnings's painting of 1911, "Shrimp leading ponies across Ringland hills," which could fetch between £20,000 and £30,000 at Sotheby's next week

"Melting Snow," a watercolour by the Welsh artist, David Jones, at Capel-y-Ffin, 1925. The picture, valued at £3,500, is on show at the New Art Centre, London, in the "Art for Investment" exhibition

Modest optimism in the London market

BY WILLIAM PACKER

THE LONDON art world continues its various, active and contrary self, still whispering its news of dire foreboding in the same breath, as more modest optimism. Across the whole spectrum of activity, from the most ancient to the very latest, dealers known to be sorely pressed survive—and it would be sad indeed to see them go just now, with better times perhaps around the corner.

Certainly, there are more galleries than ever, and new ones open all the time: which of course bespeaks a general sense of confident adventure without which any art world, must die.

As with all such things, it is impossible to gauge exactly how business stands, to give the state of the market in a word. Rather it is a matter of holding up the well-licked finger to catch whichever breezes chance to blow. I asked the same few questions of five London galleries which between them, if somewhat arbitrarily, cover the field.

Those questions were simple enough: what was the field of specialisation? What was the price range overall? How was the market in general? Where in particular was there any activity? What in fact was selling? What would be especially good to buy at the moment? And, finally, how did things look for the future?

● Agnews: long established dealers in English water-colours from between 1700 and 1900, in Old Master paintings of all schools and periods, and British paintings too of all but the modern period, though a small number of contemporary artists of a more conservative bent are also represented. Prices can begin at around £50 for a watercolour and can go as high as the sky, well into seven figures, for a masterpiece. It was stressed to me, however, that half the business in water-colours was in purchases under £1[illegible] under £5,000 for half th[illegible] paintings.

[illegible]ness was said to be slow, b[illegible] somewhat surprisingly [illegible] so abroad even than here, w[illegible] the signs were that it was beginning to pick up. There was a sense that perhaps too much attention had been paid to America in recent years at the expense of English clients.

A lot of work, British pictures especially, was being sold to companies based in London, which was a fairly new development. The market in water-colours had expanded greatly in recent years. The recommendation was for Italian Baroque paintings of the 17th century, less scarce than that of earlier periods, and for quality, less expensive than that of the 18th, which is currently sought after.

The prognosis was moderately optimistic, this year rather better than last. The great works were not difficult to sell, but the problem was with the middle range.

● The Piccadilly Gallery: successful post-war dealers in Symbolist, Pre-Raphaelite and Fin de Siecle works of art, both European and British, in modern masters, and in contemporary British figurative painting. Prices range from around £100 to £25,000, but most business falls between £1,500 and £2,000.

Pseudo-Bles: "The Adoration of the Kings," sold at Phillips recently for £65,000

This is a difficult time of year, and at the moment rather less is being sold at home than to American, Swiss and German clients. The good things always sell well, Klimpt, Schiele, Gill, Spencer, John and, among the living, David Tindle. It is hard to go wrong with historical and authentic, all the more so if it carries with it a particular personal history or association.

Quiet period

Things are quiet at the moment and likely to remain so while affairs at large remain so uncertain.

● Juda-Rowan Gallery and Annely Juda Fine Art: two of our principal dealers in contemporary art lately merged (Riley, Huxley, King, Naylor, Anthony Green-Rowan: Alan Green, Hall, Kenny, Held, Christo-Juda), with Annely Juda Fine Art continuing distinct with the historical Constructivist tradition. Prices begin on the modern side around £2nn and rise to £20,000 or so, £1,000 to £200,000 and more on the historical side.

Taking Juda-Rowan first, the market is not good. Abroad Japan shows signs of life, but there are rather fewer than usual in Europe, and those few only in Germany and Switzerland. America is always very difficult, habitually resistant to foreign work. At home business ticks over as slowly and quietly as ever.

There is, however, a steady demand for the paintings of the two Greens, and the sculptor Nigel Hall too does reasonably well.

Good British artists indeed are very good value now, their work as good overall as any being done elsewhere and yet their prices substantially lower than those of their European and American peers. A reserved optimism is the best that can be said for the outlook.

As for Annely Juda Fine Art, things again are very slow, but the season is only now beginning. Suprematism and Russian Constructivism remain remarkably good value for works of such historical significance, though they are never exactly cheap. The market in general can only get better, but it will certainly take some time to do so.

● The New Art Centre: dealers of some 25 years standing in 20th century British painting and sculpture (Moore, Lanyon, Hepworth, Clough, Agar, Hitchens, Potter). Prices go from £100 to £20,000, with most of the business falling between £1,000 and £5,000.

Business seems to be fairly good so far as the Gallery itself is concerned, though lately its nature appears to have changed, inclining now towards the more important works, a smaller number of transactions but for somewhat larger sums. The gallery serves principally a domestic clientele, which seems healthily active, enough so at least to encourage a certain optimism for the future.

Indeed, it would go so far as to stake its reputation on it, and its current exhibition: Art for Investment, seeks to make the demonstration.

Estimations

The premise is simple: £800 invested in 1962 would now by our very own index be worth £5,224, only barely marching with inflation. A sum of £800 spent equally on the work of Hubbard, Clough, Lanyon, Davie, Hitchens, Stephenson, Potter and Bulmer, all of them artists with whom the Gallery has dealt, would now be worth £12,711.

An almost identical portfolio bought in 1974 for £900 would now be worth £2,698 as against £1,701 on the index. The exercise is of course hypothetical, and the figures the gallery's own.

● Lewis Johnstone Fine Art: a partnership established barely a year ago dealing in contemporary vanguard British, European and American art in all media (Stuart Brisley, Dennis Oppenheim, Denis Masi, Simon Read). Prices go from £250 to £5,000 with most business in the £750 to £1,500 range.

It is a very tight and conservative market in this country, which may be attributed, the gallery feels, as much to lack of information as to lack of interest in contemporary art. Most of the business is at home, though foreign buyers are beginning to show significant interest.

Work by young artists whose base is in installation or performance activity is doing well—paintings by Paul Richards, drawings by Kerry Trengove and Ron Haselden—and that would naturally be a recommendation. It is work based on the figure, not always directly or unambiguously, but adopting instead rather more conceptual, metaphorical and experimental approaches.

The gallery put it quite unequivocally: the work being done by that generation of British artists now in its thirties is at least as vigorous, creative and exciting as anything equivalent in Europe or America. As for the immediate prospects, things appear to be going increasingly well.

Visitors preview some of 1,031 paintings by 600 artists at the summer exhibition of the Royal Academy of Arts, which opens today at Burlington House, Piccadilly, London. The exhibition is open until August 15; admission is £2

PROPERTY

Regency refurbishment

BY JUNE FIELD

SEEKERS AFTER graciona, spaciona restoration apartments ahould go down to Sussex today. This week saw the launch of two intriguing south coast period projects.

Grand Avenue Mansions, Hove, built around 1882 by J. T. Chappell, also responsible for Brighton's Clock Tower and the laying of the tracks for Volk's aea front electric railway, is part of the "Preserving Britain's Heritage" campaign of Barratt Southern Properties. Managing director Mr Alan Rawaon says they are vigorously pursuing the acquiaition of further properties under this scheme, currently iospecting buildings as far apart as Felixstowe and Exeter.

"But with ever-increasing conversion costs, and in some cases unreasonable planning requirements, it is hecoming increasingly difficult to achieve viable propositions. Nevertheless, with this project, we shall bave reoovated 16 properties to provide over 200 new homes from large and often neglected historic buildings in choice locationa, many that it would be impossible to provide today with present planning policies."

The other undertaking, about nine miles along to the Brighton Road, Worthing, is Beach House, built in 1820 hy John B. Rebecca, and only narrowly escaping the local Council's demolition plana which have beeo announced with depressing regularity since they bought it for £16,000 in 1937. A courageous *rehabilitation* to this listed grade II bow-fronted Regency villa ia being carried out by a small building firm of designers and restorers, Derek Jooes and Company of Chichester.

Some of the background to hoth buildings makes fascinating reading. For instance the original baths at Grand Avenue Mansions had a third tap, presumably for those who wanted the therapeutic henefits of the hriny without having to venture down the road to the sea. (Until recently the basement still help the pump which brought the water from the underground 29,000 gallon capacity storage tanks, from which sea water was piped until 1940.)

The Mansiona were a speculation, erected at a time when work on the rest of the estate was almost at a standstill due to the depressed state of the market, even though Alfred Waterhouse's Gothic red-brick Town Hall (destroyed hy fire in 1966 and rehuilt eight years later glass-box style), was going up along the way in Church Road. In 1883 the average rent being asked was £230 a year for the three to five bedroom apartments spread over *five stories*, with its adjacent stabling for teoant's horses. And they took a fair time to rent, with four occupied by 1885, and all 10 only taken aome four years later. Now most of the imposing Victorian mansions in Hove'a widest avenne have been demolished to make way for modern apartment blocks.

Grand Avenne Mansions retains its exterior virtually nnchanged except for the glass canopy which ahielded the porticoed entrance. I saw it in the old photographs that local historian Mr James S. Gray showed me as we walked round. (He is the author of *Brighton Between The Wars*, Batsford 1976.)

The handsome high-ceilinged block, with a shopping parade at the hack, and Hove main-line station within reasonable distance, is being aplit up by Barratts into 28 stylish units, still with very good-sized rooms. The two-hedromed, two-bathroomed apartments are from £64,950, three bedrooms £89,950, and ooe-bedroom £35,950; the outlook of the latter is the rather dull brick-wall of an adjacent property which it is to be hoped that the developers will be able to enhance with a spot of white paint. Two "slarter-studio" homes at arouod £23,000 are planned for the haaement.

Prices include carpet and entryphone, plus in the main, the full compliment of lavish equipment now expected of upmarket acommodation. That is, bathroom with shower and hidet, combined radiator and towel-rail, principal rooms with television, VHF and telephone points, kitchen with fitted oven, hob, bood, waste disposal, refrigerator/freezer, washing machine and tumble-dryer. And there are the usual Barratt purchase-incentives, inclnding the possibility of taking your existing home in part-exchange.

The three smart show apartmeots are open every day from 11 to 6, or for a brochure with floor plans, contact Mr Jack Hannah, sales manager, Barratt Southern Properties, 668, Hitchin Road, Luton, LU2 7XJ (0582 31181).

Beach House has a similar quota of labour-saving fitments included in the £68,000 to *£94,000* price-range of its seven impressive apartments, two of which are over 1,500 sq ft. But in addition there is a dishwasher, light fittings, fitted cupboards and wardrobes, dressing and dining tables, plus an allowance for curtains to go with the carpets. Although enterprising builder and surveyor Mr Derek Jones, specialising in the restoration of period properties since 1969, admits that his company cannot compete with tha buying incentives of the hig companies: "Our philosophy is to inclnde as many of the basics as possible needed for home-making."

First built for a Mr Helmes, Beach House's distinguished owners bave included Sir Frederick Adair, Bow Street police magistrate in 1846, Sir Robert Loder MP for Shorebam in 1876, followed hy his son Sir Edmund Loder, who regularly entertained King Edward VII, and dramatist Edward Knoblock, who in 1917 bought it with the proceeds of his play Kismet.

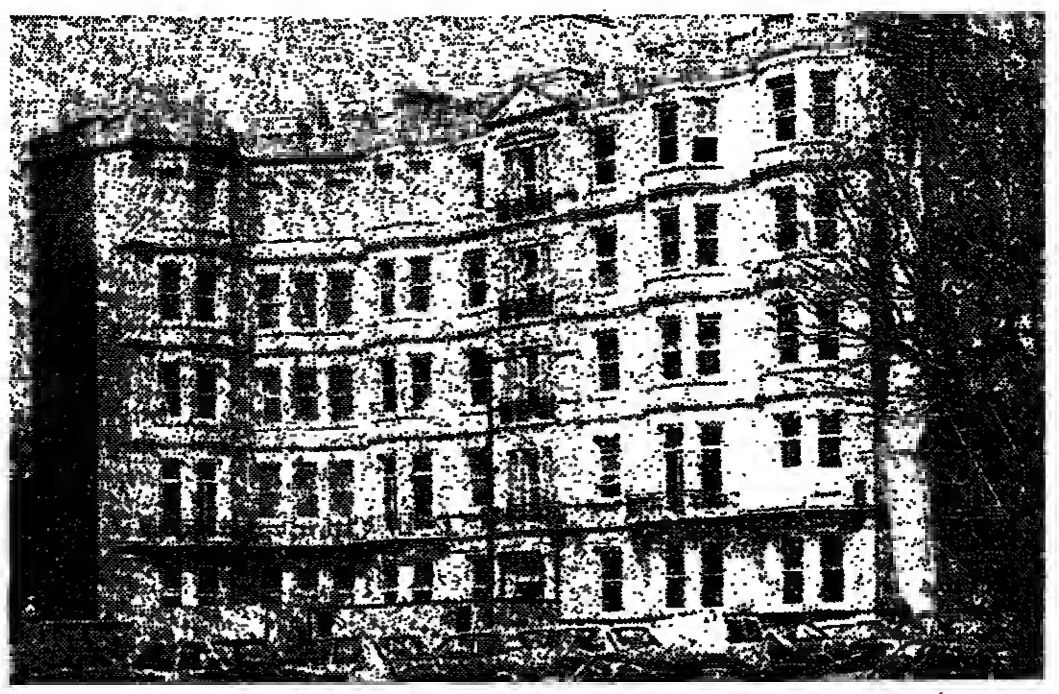
With the help of architect Maxwell Ayrton he added to the villa and filled it with fine Georgian furnishings, describing the acquisition as "the greatest pleasure I ever had to make *myself* the owner," although eventually having to concede "the folly of an author trying to manage a large country house," and selling it in 1923.

I have referred to the *developer's courage, because* when I looked round last week, it was obvious that the complete rescue operation is a tremendously ambitious task. Rain had been allowed to go through unchecked from the roof to the hasement and other signs of years of neglect and an uncaring stewardship were everywhere; yet it is remarkable what has already been achieved in the harely four months since the place was bought for £40,000.

Some £300,000-plus is being spent on restoration, and an elegant show-apartment, incorporating a grand room with dramatic sea views that was Edward VII's bedroom, is open weekends, other times hy appointment. The scarlet and gilt blocked hrochure from Mr Derek Jones, Derek Jones and Company, York Road, Chichester, Sussex (0243 787934), gives more details of the house's history.

The newly-created centrally-heated "suites" comprise a splendid two-hedroom, two-hathroom nautical-style second floor penthouse whose unusual curved rooms are indeed like cabins with port-hole style openings, with a superh sun-deck with caulked joints heing built overlooking the water, complete with ship rails and lamps; while another suite incorporates the "box" of the garden-theatre huilt on the east side of the house hy Knohlock. The Arnold Bennett maisonette records the fact that he and others snch as Compton Mackenzie and J. B. Priestley signed their names on the walls of the vaulted wine-cellars, now hedroom/hathroom suites backing on to lawns running down to the sea. There are two parking spaces for each auite, and shops are along the road.

And here one must mention that part of these gardens have a novel tonch, which may or may not appeal. Be prepared to appreciate the spirited delights of the nearby "Peter Pan's Playground—Self-Driven Motor Boats" plus swings, slides, a putting-green and tennis courts, as well as the amenities of championship howling greens in the colourful Beach House Park across the road.



Grand Avenue Mansions, built 1882 in Hove, East Sussex, *being refurbished into stylish modern* apartments from £35,950 to £89,950 by Barratt Southern Properties. Three show units are open every day from 11 am to 6 pm. Brochure Jack Hannah, sales manager, Barratt House, 668 Hitchin Road, Luton, Beds.

Actor Harry Andrews is selling his home, Church Farm Oasts in 6½ acres at Salehurst, near Robertsbridge, 16 miles from Tunbridge Wells, East Sussex. The completely renovated 18th century farm house with its two square oast towers, has 5 bedrooms, 3 bathrooms and an oak staircase originally from a Lutyens house, plus barns, 2 summer houses and 2 paddocks. Offers in the region of £145,000 are being sought by Colin Mackenzie, Hampton & Son, The Estate Office, High Street, Mayfield, East Sussex (0435 872294)

BRIDGE

E. P. C. COTTER

MANY OF yon may have seen *Grand Slam* on BBC Television a programme which was received with mixed feelings. However, whatever you may have thought about it, here is a hand from the aeries which illustrates excellent declarer play:

	N	
	♠ A Q J 5 4 ♡ 5 4 3 ◇ K J 4 ♣ K 5	
W ♠ 9 ♡ 8 7 6 ◇ 10 9 8 ♣ A J 10 6 4 2		E ♠ 3 2 ♡ K Q J 10 9 ◇ Q 7 6 2 ♣ Q 3
	S ♠ K 10 8 7 6 ♡ A 2 ◇ A 5 3 ♣ 9 8 7	

With Eaat-West vulnerable, South dealt and opened the bidding with ona spade, and North replied with fnur diamonds. This response showed a raise to four spades based on high cards, not a pre-emptive raise based on distrihution South corrected to four spades, and all passed.

West led the nine of diamonds, a Rusinow lead, and the declarer won in hand with the Ace. Two rounds of trumps were drawn with King and Ace, and the heart three was returned. When East produced the King, South ducked, but taking the heart continuation, she—it was Nicola Gardener—crossed to the diamond King, ruffed the last heart, and played another diamond.

As the declarer had hoped, East was forced to win with the diamond Queen, and was endplayed. A club lead wonld set up dummy's King, a red suit return would concede a ruff discard, allowing South to ruff in hand and discard a club from the table.

In the other room the American declarer received the *same lead, but he decided that* West might have led from Queen, ten, and nine, so he tried the finesse of the Knave. When this failed, he had to play West for the Ace of clubs. As West had this card, he also made his contract.

I must say that I prefer tha British line of play.

Now for a band from a Championship Pairs played in the United States:

	N	
	♠ 10 5 ♡ A 6 ◇ 10 7 4 3 ♣ Q J 7 3 2	
W ♠ A 8 6 2 ♡ J 10 7 2 ◇ Q J 6 5 ♣ 6		E ♠ J 4 3 ♡ K Q 9 8 4 3 ◇ K 8 ♣ 9 4
	S ♠ K Q 9 7 ♡ 5 ◇ A 9 2 ♣ A K 10 8 5	

With North-Sonth vulnerable, North dealt and passed, and East opened with a weak two hearts. South doubled, and West raised pre-emptively to four hearts. After two passes South douhled again. North said four no trumps, suggesting strength in the minors, and South's five clubs concluded the auction.

West's heart Knave was taken hy the Ace, and two *rounds of* clnbs were drawn with Ace and Queen. The declarer decided that West waa likely to hold the spade Ace, so he had to play East for J 8 x, or J 8 doubleton. At trick four the spade ten was led, East did not cover, and that was that.

If East covers, as he should, with the Knave, West win's South'a Queen, and leads another heart. The declarer ruffs high, reaches dummy with a trump, and leads a diamond. East, fearing an endplay, plays his King, the Ace wins, and South leads his remaining trump, the carefully preserved five, to dummy, and follows with dummy's last trump. West has to discard two diamonds to avoid aetting up declarer's spades, hut this does not help him, because he is thrown in with a diamond, and forced to lead a spade into South's tenace.

Crowded calendar

CHESS

LEONARD BARDEN

THE CROWDED international tournament calendar often leaves the chess grandmaster insufficient time to recover from one hard event before another hegins. This dilemma, known in all professional sport, is accentuated for the chessplayer hy the all-play-all system. A golf or tennis pro in poor form is soon eliminated from the final rounds hy a knockout or qualifying score total, hut the grandmaster who is losing has to continue to the end and risk further setbacks to his confidence.

Little more than a week after the finish of the Phillips and Drew Kings, Britain's strongest-ever tournament, two of the English competitors, Nunn and Mestel, had to travel to Holland for the zonal play-off which decides West Europe's representatives in this summer's world interzonals.

Nunn, Mestel and Stean had tied with the Dutchman van der Wiel in the original event, hut only three interzonal places were available. The play-off was arranged at short notice since the first interzonal in Las Palmas starts in mid-July, while the three interzonals in turn must be completed *before the* 1932 chess olympics or world team championships at Lucerne in the autumn.

The Leiden play-off, which finishes this week-end, hegan badly for the British trio. Nunn, who lost four of his final five games at the Phillips and Drew, was heaten by Mestel in the first round, while Mestel himself lost to van der Wiel in the second. Their energies drained hy the great tournament at County Hall, nur pair have a formidable task.

FIDE have already published a complete list of the 42 interzonal qualifiera and their allocation hetween the scheduled tournaments in Las Palmas, Mexico City and Moscow. In theory the three eventa are of equal strength, but the seedings based on current FIDE ratings do not reflect very recent form. Opinion is that the hardest interzonal will be Mexico City where Portisch, Seirawan and Spassky who all played at County Hall meet opposition led by the USSR trio of Polugaevsky, Balashov and Yusopov. Nunn or Stean will be the *English* representatives, and only two go forward to the world title candidates. A final hazard for our players: Argentina will also be represented in Mexico City.

An encounter between the ex-world champion and the 16 year-old boy prodigy provided a lively struggle at County Hall.

White: B. Spasaky (USSR). Black: N. D. Short (England) French Defence (Phillips and Drew 1982)

1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-QB3, B-N5; 4 P-K5, N-K2; 5 P-QR3, BxN ch; 6 PxB, P-QB4; 7 N-B3, P-QN3; 8 B-N5 ch, B-Q2; 9 B-Q3, B-R5.

To restrain White's P-QR4 and blockade the Q-side, but perhaps too slow. The book plan is 9 . . . Q-B2; 10 0-0, QN-B3; 11 P-QR4, P-KR3; 12 B-R3, N-R4.

10 P-R4, QN-B3; 11 P-R5, P-KR3; 12 0-0, Q-B2; 13 R-K1, P-B5; 14 B-B1, 0-0-0; 15 N-R2, QR-B1; 16 R-R2, K-N2; 17 PKN3, P-QR4?

So far both sides have pursued their restraining strategies, hut this weakens the QNP and gives Spassky a target.

18 B-KR3, N-Q1; 19 Q-K2, K-R3; 20 B-Q2, B-K1; 21 R-N2, N(2)-B3? (hetter to retract his 18th by N(1)-B3, keeping the option of N-QB1 to guard the weak pawn); 22 KR-N1, N-N1; 23 RxP ch!

The start of a massive attack hy which Spassky destroys the black king's pawn guard.

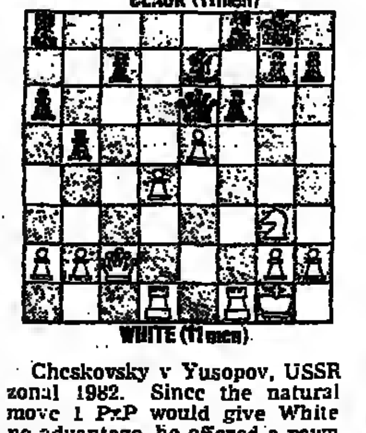
23 . . . QxR; 24 RxQ ch, KxR; 25 N-B1, N(N1)-B3; 26 N-K3, N-K2; 27 NxP ch! PxN; 28 QxP, N-N2; 29 Q-N3 ch, K-B2; 30 P-QB4.

Now White's queen, hishop pair and mohile pawns close in while Black's defeoders are caught far from the battle front.

30 . . . B-B3; 31 B-K3, R-QN1; 32 P-Q5, N-Q1; 33 Q-B3, R-N8 ch; 34 K-R2, B-N2; 35 QxP ch, K-Q2; 36 Q-R4 ch, K-B2; 37 Q-R5 ch, K-Q2; 38 Q-B5, N-B1; 39 B-Q2, N-N3; 40 P-KB3, N-R1; 41 B-R5, R-QB8; 42 B-KN4, RxP ch; 43 K-R3, R-K7; 44 P-B4! (decisive, since White's second bishop joins the attack), R-QB7; 45 P-B5, PxQP; 46 P-B6 ch, N-[illegible]; 47 Q-K7 ch, K-B3; 48 Q-Q6 mate.

POSITION No. 423

BLACK (11men)



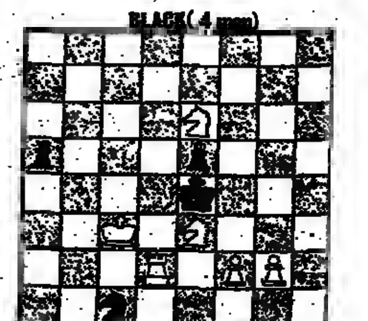
WHITE (11men)

Cheskovsky v Yusopov, USSR zonal 1982. Since the natural move 1 PxP would give White no advantage, he offered a pawn hy 1 N-B5. Tournament winner Yusopov thought the gambit was unsound and replied 1 . . . PxP expecting 2 PxP, QxKP when 3 QR-K1 hoping to win a piece is met by 3 . . . Q-B4 ch forcing the exchange of queens.

Which player had miscalculated?

PROBLEM No. 423

BLACK (4 men)



WHITE (6 men)

White mates in three moves, against any defence (by G. Heathcote). Despite the bare and aimple setting, White's key move is well hidden.

Solutions Page 12

TRAVEL

Up-market sea and sites

SICILY

ANTONY THORNCROFT

THE BRITISH love the Mediterranean and they love islands. Yet Sicily, the largest Mediterranean island and the moat centrally placed, has never been tourist ridden. This is mainly the choice of the local government which plans to develop tourism methodically rather thao allow an hotelier's free for all. It also likes the idea of visitors coming to the island to admire its unrivalled historical attractions rather than just its sun, sea and saod.

About a third of tourists list the season-stretching antiquities of Sicily as the main reason for their trip and this up-market image is being fostered by the government's concentration on developing the thermal springs on the island. Already at Sciacca, in the south, an all year resort is emerging which offers pbysical recuperation as well as a picturesque fishing harbour and beaches.

But although the atrategic situation of Sicily has given it a cornucopia of history, with the Greeks, Romans, Byzantines, Arabs, Normans and Spanish all leaving a decorative mark on the island, its appeal to many tourists is that it offers that increasingly desired ideal, a well balanced holiday—a week on the beacb and a week seeing the sites.

By a happy coincidence some of tbe most appealing resorts have celebrated entiquities peeping through. Even the prime holiday town, Taormina, has grown up graciously around one of the best preserved Greek theatres, refurhished hy the Romans, and oow topped up with one of the finest panoramic viewa io Europe.

Taormina offers a choice. You can either stay In one of the hotels oo the coast, such as the Ipanema which opened in April and is listed hy some British tour companies, with immediate access to beaches, coves aod islands, or io the town three kilometres inland or rather upwards.

For the town is perched on high and is best reached by a funicula railway which runs until well after midnight, linking day-time heach loungers with the bars, restaurants and discos of thia all year round resort which baa attracted visitors for over a century, ranging from D. H. Lawrence to the Kaiser, from Andre Gide to Princess Margaret.

The maio street, topped and tailed hy medieval gateways, haa more than its share of tourist shops, hut it is a lively good oatured throughfare, opening out into a square with breathtaking views down to the distant sea. Hard hy the Greek theatre is the Hotel Timeo, one of those stately hotels (owned by the aame family for over a century) where Henry James characters would feel immediately at home. And, as a backdrop, Taormina has Mount Etna towering behind it, usually snow-topped, and an exciting excursion.

Because of its natural advantages Taormina is a celebrated and crowded Mediterranean reaort. Less well known but tentatively gearing itself for more tourists is Cefalù on the northern coast. Here the historical landmark is a beauty, a Norman cathedral of the 12th century, with one of the finest mosaics in the Mediterranean, of Christ the Pantocrator, dominating tbe eastern wall.

Behiod the cathedral is a towering rock, below it a small fishing port with the sea almost flowing Into the ancient houses. Cefalù still earns most of its livelihood from fishing rather than tourists. It has retained its integrity and, as yet, the hill behiod the town is only sprinkled with villas and the hotels developing oo the coast still command unspoilt views.

It would he perverse to visit Sicily and ignore the classical remains. For a start the Temple of Concord at Agrigento hardly qualifies as remains: it is the best preserved Greek temple outside Athens. It dominates a ridge oo which either Greek buildings of the 5th century BC stretch into the distance, justifying Pindar's description that it was "the fairest city of men."

In Agrigeoto the past ia well matched by the present. The modern town lies across a valley and does not iotrude on any musings. Io Syracusa the past was more glorious but the present, in the form of railway shuoting yards, interrupts the view from its Greek theatre to the sea. Syracuse also offers the largest Roman sacrificial altar in the world; an amphitheatre; and a vast echoing cavern where Dionysius used to eavesdrop on his wretched prisoners 2,400 years ago.

What makes Syracusa a double must is its old town (the earliest known Doric temple of around 575 BC was unearthed bere a few years ago), crowding a promonitory joined to Sicily hy two bridges. Here some of the bustle and picturesque seediness of a Mediterranean port flourish alongside a fine cathedral and museum.

Tucked away in the maze of alleys, in the Via Mirabella, is the Trattoria Minosse, which looked like the prototype for the top London tratts, and where the food was excellent, eveo by Sicilian standards. A aucression of courses cost 12,000 lire (less than £5). Eating in Sicily is a pleasure. The food is more bigbly spiced than on the mainland, but is hased around some of the finest fruit and vegetables grown anywhere. The wines are cheap and cbeerful.

Cefalu, Sicily

The capital of Sicily is Palermo, a strange city. It is a major port but the main thoroughfares are inland and you glimpse the sea down a straight aveoue with surprise. The war hit Palermo hard, producing dreary redevelopment on the outskirts and atill a rash of ruins in the old area.

But the backstreets of Palermo are made for the camera and a devastated 17th ceotury palazzio is more romantic than a recently restored one. Palermo also has the finest Norman architecture on the island, showing up our own Normana as crude provincials.

The mosaics in the Cappella Palatina may be over-rich for some tastes but represent Byzantine art at its most confident while the nearby church of San Giovanni, hidden from the road by a lusb garden, with its red domes revealing the converted mosque, is the handy antidote, the intimately picturesque.

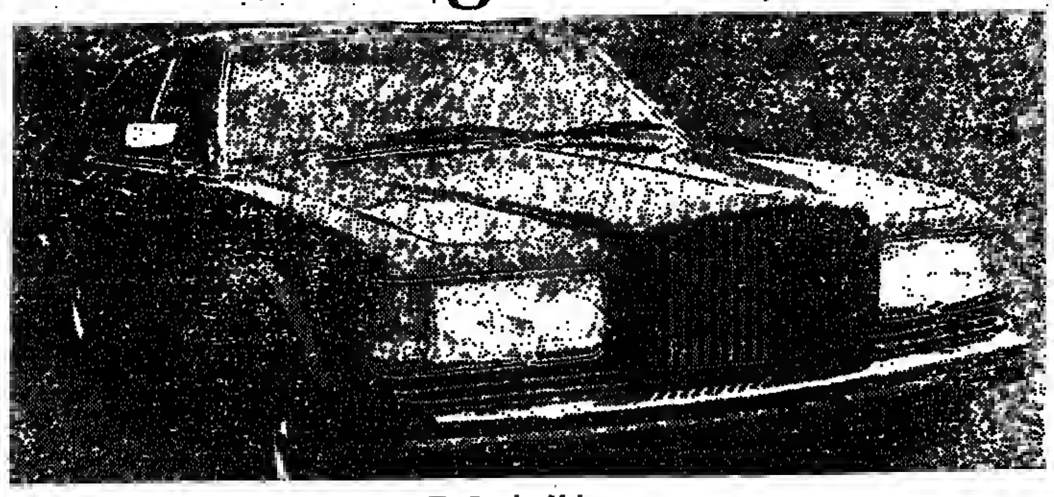
Just outside Palermo is Monreale, where the Norman love of the Greek weot mad. This time the cathedral ia completely covered with mosaics: but once again relief is at hand. Behind the cathedral is a cloister which owes more to Islamic Granada thao mooastic France.

After a glut of sightseeing in Palermo and a crasb course in Europeao history — it seems quite reasonable that the imposiog tomb of Frederick II, the "stupor mundi," should be in a side cbapel of Palermo cathedral — you probably deserve Mondello, the beach resort outside Palermo where the villas are turn-of-the-century and the beach recognisably Mediterranean.

But for most of the time in Sicily, although the autostradas get you arouod with hrisk efficiency and the passing view is modern Italiao, the coostant reminders of its fleeting conquorers will make it a magical history tour as much as a holiday in the sun.

Alitalia flies direct to Sicily four times weekly and has a Jet-Drive deal with Avis which offers car hire at a considerable discount. CIT and Sicilian Holidays offer the biggest selection of packages hut most leading tour companies include Sicily in their schedules.

Turbocharged £60,000



The Bentley Mulsanne

MOTORING

STUART MARSHALL

BY TURBOCHARGING their 6.75-litre V8 engine, Rolls-Royce have increased its power output hy 50 per cent. Rolls-Royce (aod this means Bentley, too) never reveal the figures. Whereas they uaed to murmur "sufficient" to anyone vulgar enough to ioquire, they oow reply witb a smirk of satisfaction that is is "more than enough."

But more than enough for what? For a start, a substantially higher top speed. The Bentley Mulsanne Turbo—the only car in their raoge currently to have the power-boosted engine—is good for 135 mph compared with the standard Mulsanne's 119 mph. Interestingly, the mechaoically identical Rolls-Royce Silver Spirit is said to be a couple of miles an hour slower than the Bentley. It's all to do with the shape of the radiator grille. I mean, Greek temples weren't designed to have a low aerodynamic drag factor, were they?

Acceleration is strikingly hetter; the Mulsanne Turbo takes only 7.4 seconds to beave its 2½ tons from a standstill to 60 mpb against the uoblown car's 10 seconds. And that means it could keep its nose in front of a hard driven XJ12 Jaguar in a traffic lights confrontation. On the road, the power boost really shows. When I drove the Mulsanne Turbo last week, I couldn't bear the turbo working and there was no sudden kick in the back feeling, but no-one could ever mistake an ordinary Mulsanne for the Turbo, and vice versa.

Final drive gearing has been raised by 10 per cent so the Turbo's economy is improved, except in town, where It is slightly worse (11.4 mpg against the standard Mulsanne's 12 mpg). At a constant 56 mph il is doing 21 mpg (18.1 mpg) and at 75 mpb, 16.3 mpg (16.1 mpg). In average use, the Turbo would give a law abiding Brtish owner about 15.5 mpg against 14.9 mpg.

At an on-the-road price little short of £60,000, the Mulsanne Turbo is only for the super-ricb, or the cbief executive of a company with a very understaoding finance director. That being so, it would be easy to poke fun at miles per gallon savings measured in decimal points. But the achievement is considerable, because less fuel is used to obtain a great deal more performance. In passing, the real significanec of the development will be realised in the mid-to-late Eighties. All Rolls-Royce and Bentley cars will then have become smaller engined, ligbter and more fuel efficient, thanks to turbo-charging.

Figures alone give no hint of the Mulsanne Turbo's character. It is not just a very fast car, but an opulently luxurious gentleman's carriage with an outrageous turn of speed.

The waste gate on the turbo-charger dumps all the hoost when 135 mpb is reached. Last week, I put tbe needle right off the speedometer dial, wbich goes up to 140 mpb. Clearly the instrument was optimistic, hut at 135 mpb genuine, driving the Mulsanne Turbo was not a white knuckled husiness at all. In fact, it was eerily quiet (just a little wind roar and some rumble from the superlative Avon Turhosteel).

"A cbap could easily ring his stockbroker on tbe radiophone while cruising at close to this speed," observed the Rolls-Royce man from the hack. I think he was right; and he wasn't wbite knuckled, either.

Rolls-Royce do not exaggerate when they speak of the Mulsanne Turbo's "extremely restful higb speed cruising capabilities." It can be driveo as fast as one's conscience allows on French N and D roads with utter tranquility. On sharp corners, one becomes aware there is a lot of heavy metal trying to go straight on while the tyres insist that it turns. But the Bentley never feels ungainly. A slight Increase of pressure on the accelerator deals with most overtaking requirements. For a quick dasb past a couple of juggernaunts before the solid white line starts, the column mouoted transmission selector switch may be flipped into middle. There's no neck-jerking leap ahead, but in a trice the lorries are shrinking dots in the mirror.

Apart from its painted, not plated, radiator shell and some discreet badges, there is nothing to tell the Turbo from a oormal Mulsanne outside. The ioterior ia standard Rolls-Royce/Bentley, too, except that the steering wheel is leather covered, a discreet genuflection to the sporting side. Two of the Turbos I drove had cloth trim. I thought the drab hrown material ill hecame the rest of the furnisbings.

For me, a Rolls-Royce isn't a Rolls-Royce (or a Bentley a Bentley) uoless one is greeted by that wonderful Bond Street bespoke sboemaker smell as soon as a door is opened. A small berd of cows had given their lives to trim the seats of the final Turbo I drove. There really is nothing to compare with Connolly hide, even though it does let one slide about a hit during hard cornering.

Three in four of the 100 Mulsanne Turbos to be made this year will go to British buyers. It won't be sold in tbe U.S. or Japan, because of emission problems, or in Canada or Australia. But It will be available in Europe, including Sweden, wbere its massive weight means it bas to be registered as a truck. Ettore Bugatti, who airily dismissed the original Bentley as "the fastest lorry in Europe," must be smiling up there.

Ideal for doing nothing

SARDINIA

ARTHUR SANDLES

BEAUTY is not a word that can be applied easily to most Mediterranean islands. Life and nature has dealt them too many cruel blows over the years. Crete, Malta, Cyprus . . . they stand like battered heavy-weights in the ring of time that is tbe Mediterranean. They have a rugged grandeur, they each boast their individual charms and each offers the visitor tempting reasons to stay for a wbile. But few have the tempting seductive lushness of the Caribbean and Pacific equivalents, whose comely attributes woo with about as much subtlety as a well endowed snake dancer.

Sardinia, the biggest of the Mediterranean islands, is typical. In its stormy past its tough little inbabitants bave seen Cretans and Phoenicians, Romans and Spaniards battling each other and the mountainous terrain before moving on.

Few left much trace of their residence. Instead it is the atrange slone nuraghi, round fortified towers, built hundreds of years before Christ wblch remain. There were more than 30,000 of them, and there are still remnants of around 7,000 of varying sizes and varying state of repair.

In more recent times It is the Americans who have heen responsible for another revolution in Sardinian life-style. No, this time It was not the introduction of McDonalds and Coca-Cola, but the post-war elimination of malaria from the island's coastal fringe. This bas unlocked the door to tourism, enabling hotels and villas, restaurants and night clubs to dot the hays and beaches which were once shared by mosquitoes and a few fishermen.

The mosquitoes may have gone, or at least the malaria bearing ones, but tbank heavens the fishermen remain. Seafood is one of tha delights of the island. The restaurants are good and cheap and the fish markets a happy hunting ground for the ambitious self-caterer. If a diet of fish palls then venture into the various wild boar dishes and sausage. Boar abound in lhe mountains and regularly feature on menus or on butcbers' blocks.

Wine is good and cheap; many claim It is in fact superior to that on the French island of Corsica. Meals will normally be accompanied by the ubiquitous Carta da Musica, thin sheet like bread which keeps well and has an excellent taste. A jug of chilled local wine, a plate of local cooked meats and salad, and a fine view over the bay . . . wbat could be better.

The Costa Smeralda, Sardinia

Unless you have remarkable endurance and an appetite for long, winding narrow roads do not attempt to "do" Sardinia. There is nearly 10,000 square miles of it and a quick circular tour is unlikely to take less than a week if you are to see anything at all. The mountains are ruggedly spectacular, the little towns charming, and the fields green and pleasant, but Sardinia is a place for its atmosphere rather than its sights. Pick a corner of the island and stay there.

The northern strip is particularly attractive, not only for its physical features, but also because you can make side trips to tbe small but sopbisticated Sardinian island of La Maddalina, or to Corsica and, if you are not staying there, you can cruise the sybaritic delights of the Costa Smeralda.

For other than the totally hlinkered tourist a car Is an essential, if only for shopping and restaurant trips, hut there are plenty of fly-drive and package tours including car rental available.

My own memories of Sardinia are of days of sheer self-indulgent laziness; of brief dips in tiny rocky inlets; of too mucb wine; and of glorious long summer evenings just sitting out on a balcony watching and listening to village life. It is not a place for tbe culture vultures, and the over-energetic would bave to make do with such pleasures as the sea can offer. But it is a great place to switch off and wbo, these days, could ask for mucb more.

Further information: Magic of Sardinia, Russell Chamhers, Covent Garden, Loodon WC2 8AW.

A preview of the gardener's mecca, the Chelsea Flower Show, which starts next Tuesday at 8 a.m.

A promise of exceptional quality

GARDENING

ARTHUR HELLYER

NEXT TUESDAY at 8 am the gates of the Royal Hospital Grounds, Chelsea, will open for the 61st flower sbow to he held there hy the Royal Horticultural Society. It is usually possible to get some foretaste of the quality of this great horticultural event from the two or three RHS shows held prior to it in the society's own halls in Westminster and this year all these shows have heeo exceptionally good.

But of course there are many things at Chelsea whicb it would he physically impossible to get ioto either of the Westminster halls. Some are full-scale gardens made outdoors either in the maio avenue beaide the great 3½ acre marquee which shelters many of the exhibits or on the rock gardeo hank heside tbe Chelsea Emhankment.

Most of the usual exhibitors have heen at work again these past few weeks and there is an entirely new and novel garden from an American organisation called Terceotenary Garden Collaborative. The idea of this is to show something of the interchange of plants between America and Britain and this is being done partly with living material used to suggest the meeting point between a north-eaatern American forest aod a meadow, partly with panels showing plant explorers, their patrons and the effect of their introduction oo British gardens.

Another novel exhibit is a small garden, 55 hy 35 ft, designed to display five pieces of contemporary Italian and Japanese sculpture each piece placed against an appropriate hackground of plants. The design is hy Preben Jakohsen and construction by C. M. Brophy and it occupies a Chelsea Embankment site.

Withio the marquee Notcutts Nurseries are repeating the series of linked walled enclosures used so successfully last year to display a wide range of climbing plants growing in a natural way. There are aspects for both shade aod sun lovers and the exhibit is even larger this year to make room for some new material.

Visitors with sheltered courtyards should not miss the best variety of fremontodendron (we used to call it fremontia) named Californian Glory nor the deliciously scented Trachelospermnm jasminoides, an evergreen climber wbich is on the horderline of hardiness.

Many of the flowers and flowering plants shown at Chelsea are weeks or even months ahead of time thanks to careful forcing but some have actually been beld back for the show. This is true of many of the small early flowering hulbs that will be shown by Avon Bulbs and Broadleigh Gardens amongst others and I am looking forward to seeing once again some of the delightful fritillarias, bulbous irises, small daffodils, unusual grape hyacinths and snowdrops that have been delighting us at the Westminster shows.

There has also been a foretaste of the quality of some of the new roses includiog Mounthatten which bas been voted "Rose of the Year" by British rose growers. It is a light yellow floribunda which has already proved its value as a cut flower (it was used at the royal wedding last year) and has all the appearance of betog a good garden rose. It is being shown hy the raisers, R. Harkoess and Co, which also has a Pat Dickson newcomer named Shona, a coral pink, low growing floribunda of a type for whicb there seems to he a growing demaod.

John Mattock has several newcomers including two miniatures, a scarlet rose appropriately called Chelsea Peosioner aod a bright yellow to be called Benson and Hedges Special. To meet what is expected to be a large demand for this last variety it is heing increased by The House of Rochford in its up-to-date micro propagatioo unit.

Rochford is also staging one of its spectacular exhibits of indoor plants and is making a feature of a little known and very free flowering wax flower from Malacca named Hoya multiflora.

Bressingham Gardena has two quite separate exhibits, one outdoors on the Embankment site of dwarf conifers, the other in the marquee of hardy plants. There will be plenty that is new in botb these exhibits including a yellow-leaved dwarf pine named Pinus contoria Frisian Gold and a crimson variety of Dicentra eximea mucb like Adrian Bloom in colour hut with a longer flowering season.

I am particularly pleased that the strain of Iceland poppy named Constance Finnis is being shown hy Jacksona of Reigate which is marketing seeds and plants for the first time. Ever since I first saw this selection some years ago it has seemed to me to he the best Icelaod poppy available. Though in favourable circumstaoces it is perennial it is best grown as a hardy biennial.

Vegetables were once a reguar feature of Chelsea hut we bave oot seeo much of them in recent years except in the splendid exhibits of the National Farmers' Union and the more educational exhibits of Fisons. This year they will be joined by S. E. Marshall and Co, showing its Giant Fen ooion grown from sets, a disease-resistant tomato named Piranto, various small vegetables suitable for growing in window boxes and a new method of germinating seeds in slabs of polystyrene moulded Into a oumber of cells which cao be stood on a window sill or in a greenhouse or frame.

Thia year that very skilful amateur L. Maurice Mason is staging a large exhibit of greenhouse ferns many of which he has collected himself during his plant bunting journeys abroad. I understand that there will be upwards of 200 varieties which must be some kind of record for this rather neglected type of plant.

Right on cue Faith and Geoff Whiten, who are making a small ornamental garden to show what can he done in very limited space, have also preduced a hook about the show which will be on sale there. The Chelsea Flower Show (Elm Tree Book, £8.95) is rather more than its name implies since it is a brief hut highly readable account of the development of the Royal Horticultural Society from its hirth in Mr Hatchard's Piccadilly hookshop in 1804 to the present day.

The first sbow in the Royal Hospital grounds was held in 1912 hut, thougb suggested and supported hy the RHS it was organised hy a special committee which grew into a limited company.

The show was known as the Royal International Horticultural Exhibitioo aod was so successful that the RHS decided to transfer its own spring show from the Temple Gardens to Chelsea where It bas been held ever since.

This is a well written book profusely illustrated with old and new pictures and I thoroughly recommend It to all those who have seen Cbelsea and also to those who would like to do so hut have never had the opportunity. It does manage to captnre some of the excilement of the event.

BOOKS

Graves—a life of reckless dedication to the Muse

BY GEORGE WATSON

Robert Graves: his life and works
by Martin Seymour-Smith. Hutchinson, £14.95. 608 pages

In Brnken Images: selected letters nf Robert Graves 1914-1946
edited by Paul O'Prey. Hutchinson, £12.95. 372 pages

By dint of longevity, if nothing else, Robert Graves is by now the seninr poet of the English tongue, death having robbed him of all competitors on either side of the Atlantic. Born in 1895, and mainly resident in Spain since 1929, he is by now equally a voice of past and present too. Martin Seymour-Smith has known him since he was 14, when he sent him some poems, and he wrote the first monograph on Graves as long ago as 1956; now he has bravely decided to write and publish a massive life while his subject yet lives.

The result is admiring but unsycophantic. "The foremost English love-pnet of this century," he calls him challengingly, "and probably of the two preceding ones, too." A slap at Yeats, that, I presume, and a reminder of how much the novel has usurped the field of romance since the mid-18th century, when love moved from verse to prose. The claim is a big one, all the same, and we shall need time to think about it. Here, meanwhile, is a fat new life that is abundantly, even scandalously informative, if at times diffuse, and one that excels above all at recounting the quarrels of the famous. Add Mr O'Prey's companion-volume, a selection of 199 letters down to 1946 with interlinking narratives produced in co-operation, and it is clear that the great doyen of English verse is back in the limelight.

Graves has always seen himself as an iconoclast, "a literary nuisance." The truth is more complicated than that. Given as he is to romancing as well as to romance, it is a question of continuing interest how far his own accounts of events are to be credited. Mr O'Prey calls him "an honest, witty and consistent autobiographer," but the letters he prints suggest a fidelity to spirit rather than to details. In private and in public, Graves has always admired and practised gusto. To that extent the letters support the life. Mr Seymour-Smith starts his biography at the beginning, in Victorian Wimbledon and Edwardian Charterhouse, and like all good biographers he commands the power to surprise. A priggish youth bullied at school and worried about homosexuality, and a virgin till his wedding-night: all this might not easily have been guessed. Then Oxford, or its promise, which (remembering Charterhouse) Graves dreaded so much that the 1914 war looked like a welcome escape; followed by undergraduate life, marriage to Ben Nicholson's shrilly feministic sister, and a brief chair of Latin at Cairo.

In Egypt he was far from alone. Laura Riding, a New York divorcée whom he had met only a week earlier, accompanied the whole family to Cairo and back to London again. After her suicide attempt out of a fourth-floor window in Hammersmith in 1929, remarking "Goodbye, chaps" (Graves, who had not taken lysol, as she had, followed her more prudently down to the pavement out of a third-floor window), the two fled to Majorca at Gertrude Stein's suggestion, to pursue a long literary collaboration that produced not only his best poems and hers, but a pile of fiction and criticism as well.

Some inhibitions must always arise in writing the lives of the living or in editing their papers. For a biographer, dead man has no fellow, or dead woman either. The letters now edited here omit Graves's parents, his first wife, Lawrence of Arabia and Laura Riding, his early letters to her having been destroyed. Mr Seymour-Smith, who has known his subject well for nearly 40 years, has none the less taken his chances with both hands and set caution to the winds. He has used Graves's diary of 1935-39, enjoyed the active help of Mrs Beryl Graves, and seems generally buoyed up by the hope that the anti-Modernist tradition of English poetry in this century at last deserves a revival. That is an old issue. In a 1946 letter to Eliot, Graves felt reluctantly obliged to tell him that he had never felt able to regard Ezra Pound as a poet, and declined to help Pound by signing a plea for clemency at the time of his treason-trial.

"The great enemy," I once heard him remark of Pound, Eliot and Stevens, "is this Franco-American thing." Free verse gets no credit in this new biography, which boldly calls Graves "the finest and most versatile traditionalist technician" of the century, leaving Thomas Hardy oddly out of account. But after all, it is Graves's lifelong passion for metrical tidiness that now needs to be looked at squarely, sources and all, and not least his early devotion to the idea of adapting Welsh and Latin metres into English.

My own guess is that Graves has been the best Latinising poet in English in our times: a sort of Ben Jonson to Eliot's Donne. But he has been too consistently personal, and above all too intently amorous, to make that comparison stick. "You can only write poetry if you are in love," I once heard him remark, explaining why he had stopped. Mr. Seymour-Smith calls it all "existential poetry," meaning that it was always about something happening to the poet at the time. The Latin tradition of Catullus and Horace, which Graves admired for so long and taught so briefly, is surely less self-centred than that.

Perhaps Graves's own word "reckless" fits his muse best. He applied it once to his war memoirs, *Good-bye to All That* (1929), which he wrote after the Hammersmith jump, partly to make money and partly to stop himself from going crazy—it did both—and some will always think it his best book, its title perhaps an echo of "Goodbye chaps." But it was hardly meant to be his best.

His letters, too, are lively to the point of recklessness. Hammersmith itself has seldom been so lively as in April 1929, I suspect, when neighbours watched two poets exploding out of upper windows and hitting the pavement in varying postures. There is certainly no lack of pace in either of these books. The trouble is that Graves has always offered himself to the world, above all, as a maker of poems that will last. Will he be remembered longer for his prose, one wonders, such as the Claudius novels that lately entertained millions on television, than as a bard? That, if true, might be an irony he would fail to enjoy.

Meanwhile, even after two new books, the unanswered questions remain. His study of his friend Lawrence of Arabia, and *Good-bye to All That*, strike one as almost martial and patriotic books now, though their author has somehow acquired a reputation for having been anti-war at the time. His private life, as unveiled here, turns out to have been an engaging mixture of the bohemian and the domestic. His scholarship is wide but wild. I suspect that even without his cranky ideas about Dickens (whose *Copperfield* he once tried to improve), Milton's married life, white goddesses, Greek myths and Omar Khayyam, we might still find Graves's genius too improvident, and above all too close and too recent, to decipher all at once and as a whole.

His letters are hasty, if revealing: his public writings, at times, hardly less so. He has produced such an awful lot since the age of 13, in over 70 years; and when he began writing, Edward VII was King and Campbell-Bannerman Prime Minister. "I continue slow and sharp in my broken images" is a line from one of his poems that gives Mr O'Prey the title for his selected letters. Broken images is about right. These are poems that somehow look much better printed singly in journals than collected into books, and they are perhaps best read headlong too: reckless and unrevisable incursions into that recurring ardency for which he has failed to find a better name than love.

This detail from a photograph of Robert Graves, by Bill Brandt in 1941, is taken from "Bill Brandt: Portraits" (Gordon Fraser, £19.50), a new album of photographs of writers and artists taken by Mr Brandt over the past 40 years. It coincides with the exhibition of his work currently on view at the National Portrait Gallery

Scots village sports

BY ADAM MARS-JONES

A Field Full Of Folk
by Iain Crichton Smith. Gollancz, £6.95. 144 pages

Providence
by Anita Brookner. Jonathan Cape. £6.95. 183 pages

Against The Stream
by James Hanley. Andre Deutsch. £6.95. 256 pages

Love-Act
by M. E. Austen. Jonathan Cape. £6.50. 192 pages

Getting It Right
by Elizabeth Jane Howard. Hamish Hamilton. £7.95. 264 pages

By a short head the most accomplished novel published this week is Iain Crichton Smith's *A Field Full Of Folk*, a lively portrait of a Scottish village. If there is a central character it is the Minister, who suffers from cancer and from loss of faith, though he is unable to discover a connection between his afflictions; but the whole community is summoned up, in scenes of vivid brevity. There are conformists, like a retired postman who boasts that he never entrusted a letter to anyone but the addressee, going down to the fields to find his quarry if need be; and there are rebels, like Chrissie who ran away to Glasgow, taking only her radio, and throwing away her wedding ring on the way to the station.

All the strands come together on the day of the village sports. The big world interrupts with the news that Morag Bheag's son has been killed in Northern Ireland, but the community somehow survives the blow and consoles the bereaved mother. The Minister, for his part, has a vision of ecstatic final meaning; he sees the village as a subtle structure like a spider's web on a summer's day, "the spider existing on the justice of heaven." And if the words into which this vision percolates are less than perfectly illuminating "we are each in the care of the other," this says more about ecstatic final meaning than about Mr Crichton Smith's subtly structured prose.

Hardly less fine is Anita Brookner's *Providence*, though it is flawed at beginning and end. The book's distinctive tone, lucid and delicate, which stays very close to its heroine without losing focus on the world around her, takes a chapter or two to make itself felt, and the happy balance is lost again in the final chapter, where Kitty Maule's hopes of marriage are shown to be deluded. By this time the reader has come to trust Kitty's instincts as well as her intelligence, and the effect of seeing a rather original character suffer a stock humiliation is shocking in the wrong way; it is almost as if the author underestimates her creature.

But there is much to enjoy in the interim. Kitty's absorbed, innocent seriousness is beautifully apparent in her relationships with her students, and with the colleague whose love she seeks to earn; it is refreshing to read a book which treats a graduate seminar as a potentially intense and dramatic event. To Kitty Maule, we are told, "reading interrupted by kissing and followed by death seemed an entirely natural progression." It is much to Anita Brookner's credit that such a character seems neither bookish nor sentimental nor morbid.

James Hanley's *Against The Stream* is a welcome reissue of the book published as *The House In The Valley* in 1951. It tells the story of an elderly family living in the country, whose genteel isolation is disrupted by the arrival of a six-year-old boy, son of the family's runaway daughter. The style of the book (reminiscent of Henry Green) is correspondingly a mixture of repose and local excitement, with eccentric word-choices disrupting the stately paragraphs, and sentences which are somehow both casual and rhetorical in their cadence.

M. E. Austen's *Love-Act* is a first novel told from the point of view of a prostitute hired by an obsessive to re-enact a thwarted love-affair. The heroine's vocabulary is improbably large, and there is a strong whiff of early John Fowles about the book's concern with manipulation, free-will, acting and reality; but by and large the point of view convinces. That is, after all, the acid test.

Anita Brookner: seminal seminar

It is a test failed, alas, by Elizabeth Jane Howard's *Getting It Right*, a comic novel for which everything goes wrong. The hero is a virginal hairdresser with a phobia about life, but he never engages the reader's attention with his problems; only with hair is he eloquent or interesting; and he should leave life severely alone.

Terror in Tehran

BY IAN DAVIDSON

America Held Hostage
by Pierre Salinger. André Deutsch. £10.95, 349 pages.

So buffeted are we by the press of crises of one kind and another, that even quite recent dramas already seem about as exciting as cold porridge. The affair of the American embassy hostages in Tehran is a case in point: the world was on tenterhooks for 444 days, because no-one could predict what fate they might suffer under the revolutionary régime in Iran, but since we know that they were not slaughtered and were eventually freed, it is hard to believe that their drama ended barely 16 months ago, so distant does it now seem.

Pierre Salinger, at one time President Kennedy's press secretary but in real life a working journalist, has done his best to recreate the excitement of those 14 months. At the time, and from the outside, it sometimes seemed as if the main American contribution to a solution of the crisis, after a freezing of the Iranian assets, was the exercise of prayer and patience. But Mr Salinger shows, in his detailed narrative of events, to which he had in some respects very privileged access, that a great deal of negotiating activity was going on from beginning to end.

Or rather, that a great deal of activity was going on, largely with the participation of unpaid and unofficial intermediaries—a left-wing French lawyer, an Egyptian journalist, a German ambassador—but that *effective* negotiations did not really start until, after nine months, the Shah died in a Cairo military hospital. Within a month, the Ayatollah Khomeini was indicating that he was ready to look for a settlement, and thereafter the settlement, though repeatedly beset by alarms and excursions, came fairly quickly.

As a read, *America Held Hostage* suffers from many of the drawbacks of this kind of journalistic re-creation. On the one hand, there is nothing particularly interesting about a detailed record of telephone calls, rendez-vous in hotel bedrooms, meetings, when the activity is patently achieving nothing; on the other, Mr Salinger's attempt to inject vividness by the use of oratio recta in scenes where he could not have been present raises questions about the appropriateness of poetic licence.

Nevertheless, there is a ghostly fascination about a story which offers so many parallels with the current Falklands crisis: a régime in which the rulers are divided, violent and unpredictable; a failure of a western power to make a proper assessment of its intelligence; an act of anti-western aggression by the régime; economic and financial sanctions against the régime; the resignations of Vance and Carrington; the resort to military force.

But perhaps the most striking lesson of the Salinger story is the way in which the Americans persistently pinned their faith on the wrong interlocutors in Iran—the westernised civilian politicians Bani-Sadr and Ghotbzadeh after the changes of régime, the Shah before his exile—when it should have been obvious that the real sources of power had moved or were moving elsewhere. They totally misunderstood the Iranians, just as the Iranians totally misunderstood them. Has Britain been basing its policy on relations with Mr Costa Mendez, when real power, even if divided, lies elsewhere?

Powell time

BY ANTHONY CURTIS

The Strangers All Are Gone: Volume Four of To Keep The Ball Rolling
by Anthony Powell. Heinemann. £9.50. 208 pages

Anthony Powell is the poet of coincidence. His novel sequence in 12 volumes is based on the principle that events with no logical or causal connection continually form coincidental patterns in the mind of a single individual. Hence the feeling one has that when reading a book by Powell, one is reading all the others at the same time (a feeling that distresses some of his readers). Hence his obsession with lineage and pedigree (the study of genetic coincidence).

The decision to organise a massive *roman fleuve* around the principle of coincidence was a greatly daring one which seems to have justified itself artistically, but does coincidence serve as well for a volume of memoirs?

No doubt life is full of coincidences, especially once you start to look for them, but somehow they do not arrive in the Memoirs with the same ease as they occur in the novels. The writer seems to have to force them along: "Like Maclaren-Ross (though I imagine on a larger scale) Donaldson came from a shipping family . . ." he writes about the perpetrator of Henry Root. The underlay here, as one says of carpets, of one personality beneath a totally different one, serves not to illuminate either, but to give the text an air of extraneous padding. This is also true of continual referrals in the earlier part of this volume to other volumes of the Memoirs, and to the novels, with short titles printed in brackets after them.

However much a writer may try to break life down into coincidental patterns it does have to be lived chronologically; thus in recalling his past years Mr Powell is forced to give a hazy sense of the progression of historical time to which his readers may cling. Or, as the blurb cautiously puts it, "this fourth and last volume . . . begins about the year 1952 and continues more or less to the present day."

During that period Mr Powell not only wrote *A Dance to the Music of Time*, he also removed himself from London and went to live in the country. There is an agreeable description here of his house, The Chantry, and of visits to eccentric neighbours such as Siegfried Sassoon. He made the acquaintance during this period of novelists of a later vintage than his own, such as Kingsley Amis and Alison Lurie, of whom there are perceptive vignettes. He had a play performed, permitting him to expatiate here about the theatre, and he served under Malcolm Muggeridge as Literary Editor of Punch. I found his chapter on his Punch years, "the London Charivari," the most rewarding in the book.

Mr Powell was responsible for the book reviews in Punch, and has some wise saws to utter on that invidious job. One of his chief fiction-reviewers was the short-story writer Julian Maclaren-Ross, whom Mr Powell has already immortalised fictionally as X. Trapnel. Now he gives us a portrayal of the man himself: he seems to dominate the book. This represents the third memoir of Maclaren-Ross in recent years. The other two are by Walter Allen and Dan Davin. It must be said that Mr Davin's, in *Closing Times*, is much the most penetrating.

To know Maclaren-Ross at all well you really had to heard him in his den. This was The Wheatsheaf Tavern, Rathbone Place, W.1, where he was to be met every night of the week from about seven o'clock onwards. Mr Powell appears never to have seen him in this setting and seems therefore to be unacquainted with Maclaren Ross's chief nocturnal avocation, the game of Spoof, an eliminatory guessing-game played with matches. It was through his preternatural aptitude for guessing the exact number of matches concealed in his adversary's hand that Maclaren-Ross subvented his expenditure on his habitual potation, tomato-juice laced with gin.

Mr Powell knew him either as a visitor to the Punch office where he was rather a nuisance, or during one of his rare forays to a literary dinner-party. Mr Powell arranged one of these, involving the first meeting between Maclaren-Ross and Henry Green. According to Mr Powell the dinner was not a success. I received a different impression from Maclaren-Ross when I questioned him about it afterwards. He tended to assess every new situation in terms of Hollywood, and to my enquiry, "What is Henry Green like?" he replied, "Oh just like Ray Milland." Subsequent conversations with Green revealed that he did have some respect for Maclaren-Ross's work, and was particularly appreciative of his long anonymous review of *Concluding* in the TLS.

Anthony Powell—a detail from Osbert Lancaster's drawing

Hollywood bowler

BY COLLEEN TOOMEY

Sir Aubrey: A Biography of C. Aubrey Smith
by David Rayvern Allen. Elm Tree Books, £12.50. 172 pages

"Born to smell of tobacco and Harris tweeds and to wave portentous eyebrows . . ." hardly seems the magic formula to provide an actor with either a lengthy, or a brilliant, career. But Sir Aubrey Smith became famous on just that image.

His acting career spanned 100 stage plays in London's West End and on Broadway. He acted with the likes of Mrs Patrick Campbell, Sir Charles Hawtry, and Ellen Terry, and was warmly praised by a young dramatic critic called Bernard Shaw.

Then, "down and out and 60" as he put it, Charles Aubrey Smith crossed the Atlantic and slamped his image on 100 films. He starred as Colonel Julyan in *Rebecca* with Laurence Olivier and Joan Fontaine ("Ah Mishish Danversh, won't you shit down"); and in the classic version of the *Prisoner of Zenda* with Ronald Coleman and David Niven (who called Sir Aubrey, "sir," long before George VI belatedly gave him his knighthood).

Even before Sir Aubrey tramped the boards in London or made his mark in Tinsel Town, he had already seen off another successful career. As a cricketer he was the sport's equivalent of a box office hit. He captained the Shaw and Shrewsbury side to Australia, then led the pioneer English cricket team to South Africa. W. G. Grace chose "Round the Corner Smith" to howl for his team. Sir Aubrey was still batting, right to the end. He died in 1948, aged 84.

Certainly he packed a vast range of experiences into his life. And Sir Aubrey's biographer, David Rayvern Allen, has packed substantial information into this first biography of the man. It is a well-researched account of Charles Aubrey Smith's professional life.

هكذا من الأصل

HOW TO SPEND IT

by Lucia van der Post

Pictured left is the Athena whirlpool bath from the Jacuzzi Centre while above is a Twyfords bath fitted with its own whirlpool system

Blowing bubbles

YOU MAY think that you can do very nicely without a whirlpool bath. After all, we've all survived these many years without even knowing we wanted one. There is a lurking feeling that to indulge in this kind of plaything for the rich would really be "spending it" with a vengeance. However, I can assure you that all the talk in bathroom circles is of the expanding craze for the bath with the bubbles.

What exactly, I can hear you ask, is a whirlpool bath? Most of us are afflicted with a vague sense of unease when we consider the notion. We recall pictures glimpsed in American magazines of bathtubfuls of laughing people with the froth and bubbles so cleverly deployed that we aren't entirely sure if the occupants are clothed or unclothed. We think of it as a toy for characters from Harold Robbins novels and aren't entirely sure if its prime function is pleasure, hygiene or health.

In brief, a whirlpool bath is a bath into which jets propel a mixture of water and air at high pressure thus creating the whirlpool effect. The benefits claimed from this hydro-massage range from quasi-medical ones like the relief of back pain and arthritis through to less specific ones like the easing of bodily strain on those playing sport or gardening and the lessening of stress for those thus afflicted. Certainly, it is true that many health spas, beauty institutes and physiotherapy units are taking them up.

But besides the medical benefits the whirlpool bath is also meant to be for fun and leisure and in America large outdoor ones in which friends and family can relax and enjoy themselves are not exactly commonplace but are certainly sought-after.

The most famous of the whirlpool names, for the very good reason that it was the first, is the Jacuzzi. Indeed so famous is the name that it is usually used quite erroneously as the generic term, rather in the way that Hoover and Kleenex have been used indiscriminately to describe a whole group of products, some of them made by their most serious rivals.

A certain Signor Jacuzzi, an Italian immigrant to the U.S., had the simple but brilliant idea of taking the venturi tube (more mechanically-minded people than I tell me this is an essential but simple device fundamental to the running of any car) and applying it to the bathtub. Over the years this notion has, of course, been refined and nowadays there are controls to adjust jets for direction and pressure, as well as adjustments for air to water ratio and computer controlled models are under way.

Jacuzzis have been available in this country for some time but on May 21 at 157-158 Sloane Street, London SW1 a Jacuzzi Centre will be opened which aims to make the concept of the Jacuzzi much more widely known. The press release describes it as the first "water-for-pleasure" showroom and certainly it will have some unique features.

For instance the complete range of Jacuzzi baths will be on show. Then there will be a private room in which any potential customer can experience the Jacuzzi for him or herself. Besides selling the standard models and offering to install the chosen model and design its surrounding, there will also be a special custom design service for those who want Jacuzzis of a singular size, shape or design.

Jacuzzi divides its tubs into two chief sections. Firstly, there are what it describes as bathtubs—these are known as "Fill 'n drain," which means what it says, that you fill them up, get in them, indulge in your hydro-massage, have a good wash and then empty them. These tend to be the smaller models. Spas on the other hand are intended primarily for hydro-massage, for leisure and relaxation, are not emptied (except occasionally) and should not be used for such mundane activities as washing. The spas are kept filled and warm and the running costs are much the same as those of a heated swimming pool. The basic costs are the heating and the cost of the chemicals to keep the water clean.

At the Sloane Street centre there will be four bathtubs (from the standard 5½ ft model upwards) and five spas on show, several of them in full working order.

The cheapest bathtub costs about £1,600 and the spas start at about £3,500. Installation costs are extra and are not much more than the cost of putting in a bath.

The problem of VAT is a little obscure with the Jacuzzi Centre only committing itself to this statement: "Spas incorporated in new buildings, house extensions, and conservatories *may* be VAT zero-rated."

However, Jacuzzi is by no means the only company selling whirlpool baths. Most of the new breed of plush bathroom showrooms and centres that are beginning to spring up sell several versions and when Twyfords launched a range of three baths with the option of a whirlpool system attachment at the Ideal Home Show in March, the interest was phenomenal.

The Twyfords system allows the customer to choose any number of jets set at the intervals the customer requires. The jets swivel and the intensity of the jet can be varied by means of an air controller dial. The *three baths offering* the whirlpool option are the York (£175), the Montrose (£604) and the Debut (£757) and the additional cost of the system would be between £400 and £800 depending upon the number of jets chosen and the choice of material (plastic, chrome-plated brass or gold-plated brass).

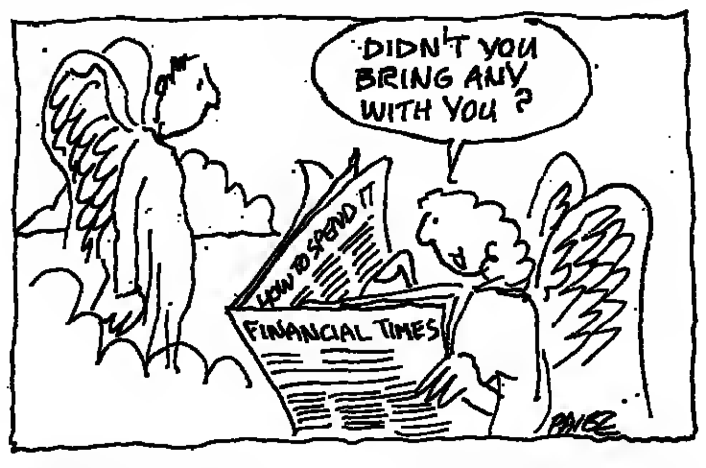
Some of the most splendid baths that I have seen recently are those made by the Italian firm of Teuco. For those who have a highly developed sense of design, who fancy baths of large and ample proportions Teuco produces a marvellous square design (most spectacular in red) which allows two people to wallow, either sitting or reclining, so that both can enjoy the hydro-massage. Teuco baths (with price of hydro-massage equipment included) start at about £1,000 for the smallest version and go up to about £6,000. For further details on Teuco design there is a showroom at the head office at Unit 3, Mitcham Industrial Estate, 85 Streatham Road, Mitcham, that readers are welcome to visit.

Plush Flush of 27 Sackville Street, London W1X 1DA has long been promoting the idea of lusher, plusher bathrooms and will sell any one of its baths in any one of 4,000 (yes thousand) colours—though you may have to wait a while if the colour is very abstruse.

It offers round baths, square ones, ones for one, two, three or four people, it offers ones with head-rests, with steps, with seats and all of them, too, can have hydro-massage (in this case the WaterJet system) incorporated. At Plush Flush, Peter Gurner, its leading light, tells me that the WaterJet system is selling amazingly well—one in every three of the baths he sells now has the system incorporated. Besides selling its own baths Plush Flush will also fit your own existing bath with the WaterJet system—this involves the bath being removed for at least two weeks for the necessary work. For a new bath complete with WaterJet system prices start at about £1,700.

Finally, one boring but essential matter needs to be mentioned — all hydro-massage systems should conform to the Institute of Electrical Engineer's new standards for electrical safety which comes into force in January 1983, so if you're buying one check that you aren't buying one of the early models that were imported direct from the U.S., which required a transformer to alter the voltage.

HOW TO NAME IT



REGULAR READERS will by now be familiar with the saga of whether or not we should change the title of this page. It all began some weeks ago with a letter from a reader who felt that "How To Spend It" as a title filled him with exasperation. He felt it to be "inapposite to our time, vulgar and an affront."

Over the years in this office the title has been questioned from time to time but it was never changed. Why not? Because nobody has ever come up with an alternative that is anything like as all-embracing, as comprehensive or as straightforwardly descriptive of what the page is all about.

However, it seemed to me a good idea to throw open the whole question to our readers and see what all of you thought about it. We invited you to write in and tell us and offered as an incentive a magnum of champagne to any reader who came up with a better suggestion for a title.

You wrote in in your hundreds and I would like to say how immensely grateful I am to you all—friends and foes alike—for taking the trouble to write. Most of you, after a quick glance at the top of the page, will already have realised that we have, after all, decided to stick with HTSI.

It was not that the original letter-writer had no support, but that the support was really very small indeed. Perhaps the letter from Martin Evans of Cambridge put that point of view best when he wrote: "I am not a bit surprised that the FT has received letters critical of the caption How to Spend It.

"In earlier years, when there was scarcely a shilling to spare for luxuries and it was a struggle to keep within my income on necessities alone, the title used to infuriate me even though the text was often of interest. The title seemed to imply that the envied rich were so feather-brained as to be incapable of disposing of their surplus cash without being prompted!"

However, letters in that vein were few and far between. The support for the title as it stands was overwhelming. Mrs Thomson of Cardiff perhaps best summed up the feelings of many of you. "The affront! Can't we spend our money without being thought vulgar? I like your all-embracing title How To Spend It I suggest you keep it. However, if you insist on changing the title in order to appease the author of the letter may I propose Guilt Investments.

The readers who touched me most were those who bothered to put pen to paper, search out a stamp and write in with no attempt to win the champagne but simply to say "Keep It." Like Avis Furness of Henley-on Thames who wrote: "What is wrong with How To Spend It? *Once* we have acquired the stuff what else are we going to do but spend it—that's what it's for! Those who are saving it are only doing so so that they can spend larger quantities of it at a later date. Keep the title—at least it's honest."

David Gunn of Hampshire said, "Don't change your page name under any circumstances. I saw that letter and wondered how many tens of thousands of readers disagreed with it as much as I did. Remember, we're the ones who don't write because we like it."

Some of you were moved to verse, like Mr Burnet of Essex.

The proposal to change How To Spend It,
leaves us gasping and asks us to send it
a new name or a phrase,
but we're all in a daze,
through racking our brains—
Let's defend it!"

Some readers sent in suggestions complete with artwork like Mr Binding of Avon, who proposed "Look Out" flanked by two very lively hand-drawn eyes. Then there was "How to £ose your marb£es by £ucia van de Post."

Other suggestions ranged from the jokey like Keeping up with the Jones's ("Can you imagine," said my secretary, "answering the phone with "Keeping up with the Joneses here"') to You Can't Take It With You. Many suggested titles failed the telephone test—On the Spree, Hole-burning Department, Fads and Fancies, Fall Guys Page, Waving Your Profits Goodbye and countless others.

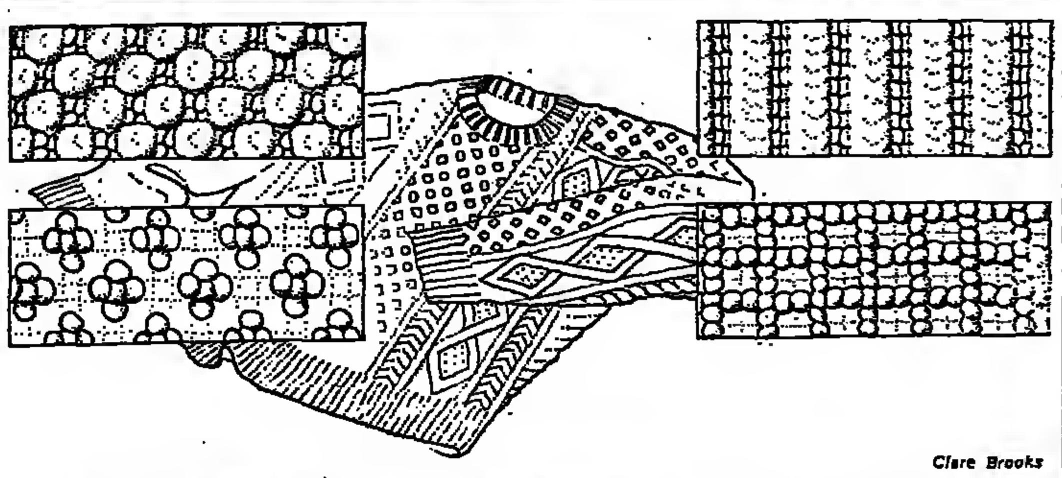
Titles like Baubles, Bangles and Beads, The Spoils of Your Toil, Spend, Spend, Spend (what would the original letter-writer say to *that!*), The Flip-side of Economics didn't, somehow, seem quite to do the job. There were lots of very sensible suggestions—things like Consuming Interest, Pennywise, Buy the Way, *Consuming* Pleasures, Money-go-round. But the more we thought about it the more we preferred How To Spend It.

So, what to do with the magnum of champagne? I have decided to send one bottle to Miss J. Holland of Powys for the suggestion that all of us in the office most liked—Saturday Serendipity. It seemed to all of us here to have great charm as a title and we mused over it long and hard before in the end turning again to HTSI.

Another magnum will go to Miss G. M. Thompson, of Blackheath, London, who succinctly and pertinently expressed the views of almost all the readers who wrote in favour of the existing title.

"Please do not change the title of your correspondent's weekly article," she wrote. "Most of one's money is hard-earned, therefore what is wrong with having guidance . . . on how to spend it? . . . I had always understood that money was meant to circulate so how can it be an affront to spend it. Even luxuries, which form a relatively small proportion of the items mentioned, are providing someone with a living."

IRISH CREAM



Clare Brooks

ANYBODY who is tempted to curl a lip at the thought of patterned carpets should now think again. Fresh from the looms of that clever Irish flooring manufacturer Tintawn, comes a luscious new collection of broadloom carpets and rugs that take that sometimes dreary concept to new frontiers.

The Irish Collection as it's known is in fact quite plain in colour, coming in a choice of three natural shades — ivory, sand and fawn. Self-patterning techniques have been used to reproduce figured designs that take Ireland's favourite sweater, the chunky Aran and old Irish lace patterns as their inspiration. They have a curious 3D effect which makes you want to touch them.

Tintawn explains the influences at work on designer Eileen Ellis, the creator of the collection, in lyrical fashion . . . "the traditional handknits of Aran and the Blasket Isles . . . the exquisite plasterwork of Dublin's 18th century houses . . . the dour old Norman keeps and castles . . ."

The entire range is Wilton woven from 100 per cent pure new wool for the toughest wear. There are five figured designs with names like Galway Shear, Dublin Squares and Shannon Shear, which show petit point and traditional handknit effects and four semi-plain textured designs (shown here), all of which come in 12 ft broadloom widths. For stairs and custom-fitted borders there is the 3 ft wide Donegal design which has a gently stippled *surface*—also available in the 12 ft width. The rug collection includes six bordered area rugs in sizes 4 ft x 6 ft; 6 ft x 9 ft; 9 ft x 12 ft, and seven scatter rugs each measuring 27 in by 54 in.

The broadloom carpet is about £25 a sq yd and the area rugs range from about £72 to £325. Above, the semi-plain textured range of carpets with the Aran feel are Killarney (top left), Blarney Castle (bottom left), Corduroy (top right) and Tyrone (bottom right).

Tintawn carpeting is widely available throughout the country but for specific stockists contact. Tintawn at Richfield Avenue, Reading, RG1 8NZ (Tel: Reading 0734 56321).

Wonder mousse

ANYBODY with soft, limp hair, the kind that tends to fall straight downwards and never does the interesting things that so many hairstyles seem to demand, might like to know about a new mousse created by Michaeljohn, the hairdresser. It should be sprayed on after rinsing, when the hair is still wet, and it gives enough body and bounce to the limpest hair to enable it to be blown into a recognisable shape or style. £4.75 from Harrods, Knightsbridge, London SW1 or by post (50p p+p) from Michaeljohn, 23a Albemarle Street, W1.

ARTS

Birth and breeding

BY B. A. YOUNG

Goodness, how delicately Professor Halsey and Professor Jensen stepped around one another in their discussion on *The Seeds of Cleverness* on Radio 3 on Wednesday! The subject, which I found rivetingly interesting, was the investigation into why some people are more intelligent than others; and what they had to get down to, sooner or later, was Professor Jensen's conclusion, published in 1969, that blacks are less intelligent than whites.

Example: when black children who had never lived with their natural parents were adopted by upper-middle-class white Americans, their average IQ worked out at 98, while the average IQ of white children in an identical environment was 116-118. Half-black children achieved 106. Professor Jensen got into enough trouble in 1969; we mustn't get him into any more now. Racial differences were no more than individual differences, he said; and the differences don't measure earning capacity, so the figures have no political or social implications.

This wasn't the main part of the discussion, which dealt with the ways used to estimate intelligence. I suppose I was firmly caught when they began with identical twins, which is what I am half of. The sad conclusion was that the ideal way to study the problem would be by cross-breeding, as with crops—hardly practical with chaps. The final minutes of the discussion filled me with alarm. Professor Jensen is currently trying to measure intelligence by laboratory tests, through electric potentials from the brain. This way you can measure intelligence without needing to measure knowledge. And ultimately it might be possible to discover just whereabouts intelligence lies in the chromosomes. Then, of course, we shall be able to muck about with it. But not, I was relieved to learn, in my probable lifetime.

The professors would have been interested in the case of Marie Joseph. She was interviewed by Sue McGregor, someone I'm sure I ought to know about, as the first of a series of eight on Radio 4. Marie Joseph is a novelist, now working on the seventh of her Lancashire books. Her mother died at her birth, whereon her maternal grandmother wrapped her in her shawl and took her to live with her, aged 68. She never knew her father.

At seven years old, she wrote a tale about being a snowdrop. For years that was her only literary achievement. Then in her 20s she began to suffer badly from rheumatoid arthritis. When she was 40, she could barely go out of the house, and she and her husband clubbed together to buy a typewriter to entertain her. As soon as she sat down in front of it, she wanted to write a story. She wrote one, and sold it. She sold some more. When she hit on a bad patch, she decided to write a novel instead. Now she writes them incessantly.

The professors might also have been interested in the five former teenage tearaways in Five Years, shepherded back to their old haunts in Milltown by an unnamed shepherd on Radio 4 (though they have featured in a book by Howard and Pip Williamson, which gave me an uncomfortable feeling that there might have been an intrusion of fiction).

Some quotes from Billy, Danny, Chris, Marty and Raymond (a.k.a. Butcher): "There was gunfights down there. It was good then." "They've got nothing else to do." "His shop was never broken into" (the man who sold them "separate" cigarettes, even separate matches) "'cos he was respected, wasn't he." "I broke into some places people thought was impenetrable. It comes to you in the end like it was a natural thing to do. I get this sort of feeling that I'll never get caught." About joy-riding in stolen cars: "Something to do wasn't it. Get in there and have a laugh." "The detention centre's harder than prison. Prison is just a big mess-about." "It's hard to say you're going straight. You see something . . ."

Most significant of all: "Our parents was the same as us."

I thought the programme was absolutely heartbreaking.

The Government's attack on BBC news-coverage of the Falkland Islands surprised me. It had not occurred to me that relaying the Argentine communiqués was more treasonable than, say, repeating the latest nonsense from Lord Haw Haw. If it is so, then that admirable programme *Six Continents*, which presents intercepts of foreign radio programmes, has been treasonable for years. Why, this week they even repeated a Mongolian broadcast that assured the world that the Mongolian public condemns the impudent actions of the British colonialists. I found my morale untouched.

Summer Show

BY WILLIAM PACKER

The Summer Exhibition of the Royal Academy is with us once more, first of that run of fêtes and sports that marks out the English summer for the special time it was always meant to be; and this year even Summer herself appears to have arrived on cue. Indeed to forget or ignore the Academy's more general social aspect and cultural rôle would be a great mistake. Unique amongst art exhibitions in a society that gives the visual arts somewhat low a priority, the Summer Show remains for so many people still the one show to be seen as a matter of course, a subliminal, insistent piety that quite transcends controversy and publicity, to say nothing of quality.

The Academy seems to touch a nerve: and to see it in terms of Art only, or going further to regret a careful, dare I say academic or scholarly selection and analysis it could never supply, is to miss the point. The indiosyncrasies of the members, and the lottery of a mass submission, are strengths quite as much as they are weaknesses. For myself, I might well complain of particular neglect or even injustice here, or wonder at the inexplicable decision there, and always there is proper criticism to make: but I would have it no other way.

This is no revolutionary, nor even particularly experimental year, and there are no especially briliant moments in the hang to any of the galleries; but that said, the selection is catholic and generous, and though inevitably there are dull passages, the general disposition is sensible. It was a good idea certainly to make over Galleries IV and V to the larger and mostly abstract expressionist paintings, for at that point they inject a salutary change of pace into the show, after the smaller figuration of the early galleries and the more ample pot pourri, the parts this year rather more than the sum of Gallery III; and they dispel the aura of wrongs hushed up that in other years would have afflicted their fellows, consigned to the far corners of Gallery VIII. Brian Fielding, Mark Ainsworth and Robert Clarke all show distinguished examples. In general the predominance of expressionist abstraction is marked, the virtual absence of constructivist painting equally so.

The brave high hang along those back galleries is also good to see, for the work for the most part is strong enough to cope, and goodness knows the rooms were built for it. The hang elsewhere is as dense as ever, but less ambitious, and of course the visitor must work quite hard to winnow out the excellent from the manifestly indifferent. Galleries I and II are good, and packed most encouragingly with the members' own work. If there is little significant portraiture this year, Peter Greenham nevertheless continues to demonstrate his absolute distinction in the field, and in their other ways Olwyn Bowey, William Brooker, Roger de Grey and David Tindle are all undemonstratively outstanding.

And throughout there are good things: John Houston in Gallery II, Anthony Green, Allen Jones, Norman Adams, Anthony Whishaw and Henry Inlander in Gallery III, Laetitia Yhap, Alan Dyer, James Palmer in Gallery VII, Anthony Eyton in Gallery VIII, Norman Reid in Gallery XI. But the disappointment must be registered too. The two South Rooms are undistinguished, the Small Room unrelievedly so, the Large Room, though it contains a number of good things, effectively rescued only by magnificent large water-colour by Elizabeth Blackadder, and one or two more by Edward Bawden: which bring us to the more general point.

One of the most charming things about the Academy is not so much its determination as its desires to please; and having taken on so daunting a task (12,698 works sent in this time), and spent so much time (five weeks) and energy in putting the choice on the wall, one of the more poignant pleasures of press day is to discover the resigned, defiant anxiety of the members of the hanging committee to gauge the response to *their honest labours*. The question direct was put to me several times.

It is too easy, I think, to complain of what is not there, though I must say I am surprised at the paucity of true figure painting and drawing. At something over 1,530 works, however, the show is certainly too large, and my chief disappointment is at the number not of bad but of slight things admitted, especially among the drawings and watercolours. An unsentimental culling up to 200 or more, would sharpen the show immeasurably.

A show can only be as good as its submission, the trick being to make the best of what you have. There is no rule to make good artists take part: one hopes they would be sufficiently encouraged to do so anyway, and clearly many are—or rather the painters are. Some honourable exceptions do appear this year (Tessa Pullan's large wooden Dobbin, for example, and Nicholas Dimbleby's extraordinary sepulchral exercise, Veiled Lady), but it is hard to understand why the sculpture in general should again be so lamentable, especially so whilst distinguished sculptors in the Academy itself remain aloof. Sculpture must always suffer in large mixed shows, and perhaps it is time to take some hard decisions: a separate event perhaps, a more stringent process or a close invitation.

These are matters for debate: the evidence remains before us until August 15 (daily except June 22-24) and whatever else it is, or is not, is worth seeing. The 214th Summer Show confirms the place the Academy has achieved in recent years, again where it should be towards the centre of our active cultural life. Lively, serious and various, it is not at all a bad show.

"Dressing up" by Janet Wooley

Tristan und Isolde

BY DAVID MURRAY

This has been Covent Garden Proms week, thanks to the generosity of the Midland Bank. Prommers make a rapt and rewarding audience, and on Thursday they enhanced what was in any case a remarkable performance: the revival of the Royal Opera Tristan which celebrates Jon Vickers' 25th anniversary with the company, and brings us for the first time Gwyneth Jones' Isolde.

In a summary report, it would be pointless to recount again why Vickers' Tristan is one of the wonders of our operatic age. He was in magnificent, commanding voice; unstinting in Act 2 (where most Tristans are all too aware that Act 3 stretches before them), he was eloquent beyond comparison in the love duet—"So stürben wir . . ." gripped the heart. His Act 3 had all its hallucinatory power, and in fact new insights have accrued to his incarnation of the entire role. It was his Kurwenal, Donald McIntyre, who seemed to run out of voice, though on shipboard in Act 1 he had been gruffly effective.

Miss Jones looked marvellous, and it must be said that her singing has reached a new level of distinction. Of the strains that for a while threatened her vocal production, there was no trace beyond a little "beat" at the strenuous heights of the Narration. There is a new largesse of fresh, open tone, with all the old committed attack, and a new seriousness about the words, which were clear and subtly coloured. Her quiet, penetrating declaration at the end of Act 2 was nobly done. She doesn't quite capture a certain darker dimension of the role: this Isolde, one felt, would never really choose a *Todestrank* over a love-potion.

Partly for that reason, perhaps, her Brangane carried less weight than usual; but Yvonne Minton was not in best form—her usual lustrous timbre a little dulled, the Call sadly flat, an air of well-meaning anxiety serving all dramatic ends indifferently. The new Young Sailor is Laurence Dale, excellent if you like his refrain delivered as an art-song. Gwynne Howell's fine King Mark gathered weight as it proceeded, with small help from the conductor Colin Davis; there in Mark's monologue, and for much of Act 3, Mr Davis allowed himself to fall into abstracted, negligent routine. He is known not to like first nights; better will come. The latest salvage job on the production is the work of Jeremy Sutcliffe, and though it has no positive virtues (static, tentative, undetailed) it doesn't get in the way.

Walton symposium at Aldeburgh

To celebrate Sir William Walton's 80th birthday year the Britten-Pears School for Advanced Musical Studies is presenting two days (June 18 and 19) of lectures, discussions, films and concerts during the 35th Aldeburgh Festival.

David Matthews

BY ANDREW CLEMENTS

The comprehensive sponsorship which the House of Du Maurier has bestowed upon the Philharmonia Orchestra has extended to contemporary music, in a series of three open rehearsals/performances at St John's Smith Square. The last of these took place on Thursday evening, when Simon Rattle conducted the orchestra in the second symphony of David Matthews. If the series is repeated next season, which one sincerely hopes it is, then the format must be rethought; an unstructured rehearsal session before the performance is not the aid to comprehension that a run-through with stoppages might have been. The fragments one heard of the symphony in the first half of Thursday's concert could not cohere in any meaningful way.

In a complete performance, Matthews' symphony plays for a little over half an hour, in a single movement divided into seven sections. The composer's note referred to an underlying programme, a transition from innocence to experience. Materials compete with each other for dominance: the opening "innocent" bassoon theme is challenged by its distorted sibling on trombones in a duel that suggest Nielsen or Sibelius as an archetype, while the return of the opening theme in the epilogue is a triumphant rebirth, a Mahlerian affirmation.

Yet the symphony as a whole seems to rely too much on the efficacy of those archetypes. Listening to this noisy, sometimes congested score, it was difficult not to remember that Matthews had worked as an assistant to Britten in his last years, helped Deryck Cooke on the completion of Mahler's tenth symphony and written a useful survey of Tippett. There is certainly a great deal of orchestral competence in his writing (the moments of over-scoring one put down as much to the hall as to any miscalculation) but less individuality. At times the voyage of experience seemed as much a traverse from the Brittenesque bassoon writing of the opening to the Tippettian flourishes of the closing sections; admirable models, but too carefully observed.

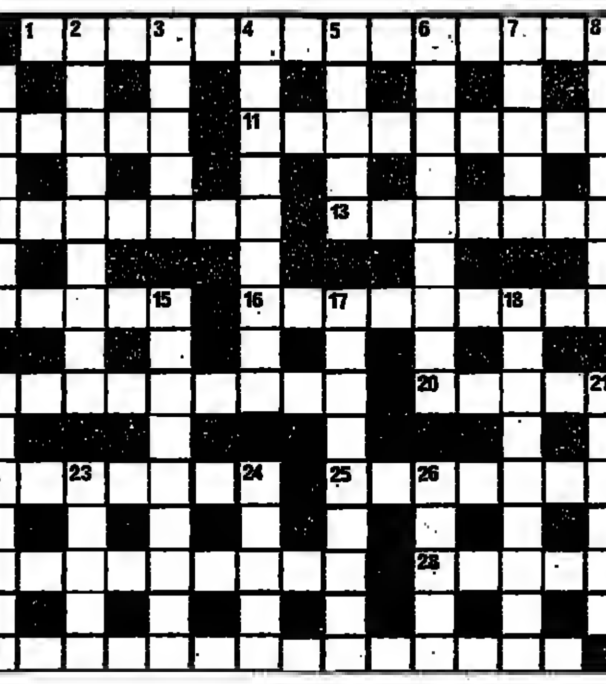
F.T. CROSSWORD PUZZLE No. 4,872

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



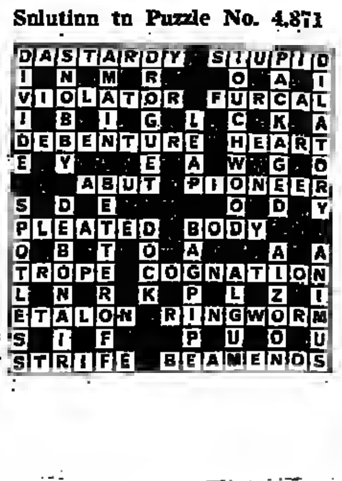
ACROSS

1 Origin of species (Nursery Edition)? (10-4)
10 Plunder Winchester, for example (5)
11 Radio-sets tuned to stars (9)
12 Change in force (7)
13 Obtuse leaders' episode is most disgusting (7)
14 Tendency of old penny to chink (5)
16 Augments a simple, if tricky, arrangement (9)
19 Wasting a sovereign? (9)
20 Level time in race, perhaps (5)
22 Ted's Inn in need of repair—makes order in duplicate (7)
25 Make people dig formerly open country (7)
27 Cowshed search on demand? (2,7)
28 South African place of birth (5)
29 This pungent dressing causes tree-crow to suffer (9,5)

DOWN

2 Poor April child (9)
3 Borg, perhaps, married in Kent? (5)
4 Air Force musicians? (5,4)
5 Proportion of portion curtailed (5)
6 No riding here now, sorry—hike is ordered (9)
7 Marry a French female, taking in sex-appeal (5)
8 Stocking stockists? (7)
9 Fitted with strengthening-piece, that is what old car needs to reverse (6)
15 Practical method of preparing the quince (9)
17 Half-poltergeists? There is consent inside that it is all synthetic stuff (9)
18 Not giving in the spring? (9)
19 Heavenly Iris! (7)
21 Can leg-break cause such a thrill? (6)
23 German woodcutter of ruder form (5)
24 W-H-E-A-T? (5)
26 Bit of a drop in takings for the dairy-product (5)

Solution to Puzzle No. 4,871

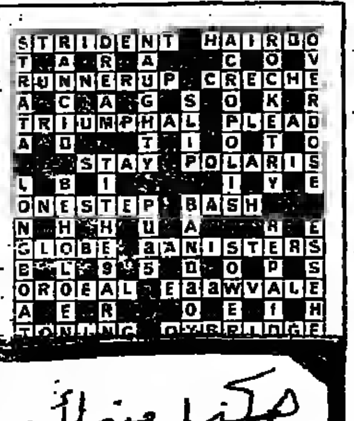


Solution and Winners of Puzzle No. 4,866

Mr S. A. Cotton, 28 Sauncey Avenue, Harpenden, Herts.

Mr F. E. Connochie, Ferndale, Fort William, Scotland.

Mr J. D. Eccles, Flat 1, 13 Queens Road, Richmond, Surrey.



TV/Radio

† Indicates programme in black and white

BBC 1

6.25-8.55 am Open University (Ultra High Frequency only). 9.05 Sorry Mate, I Didn't See You. 9.30 Get Set For Summer. 10.52 Weather. 10.55 Golf: The Martini International from Lindrick.
12.15 pm Grandstand, including News Summary at 12.50: Football Focus 12.20; Golf 1.00, 2.10, 3.10: The Martini International; Racing from Newbury 1.50, 2.25, 3.25, 3.50; Snooker 2.10, 2.40, 3.10, 4.30: Embassy World Professional Championship; Rugby League 4.00: Slalom Lager Premiership Trophy Final.
5.10 The Dukes of Hazzard.
6.00 News.
6.10 Regional Sports/News programmes.
6.15 Pop Quiz.
6.45 Saturday Film: "The Last Wagon," starring Richard Widmark.
8.20 The Val Doonican Music Show.
9.10 News and Sport.
9.25 Dynasty.
10.10 Match of the Day.
11.10 Night Music.
11.45 Golf from Lindrick.

REGIONAL VARIATIONS:
Cymru/Wales — 6.10-6.15 pm Sports News Wales.
Scotland—6.10-6.15 pm Scoreboard. 10.10-11.10 Sportscene. 12.30 am Scottish News Summary.
Northern Ireland—6.10-6.15 pm Northern Ireland News and Sport. 12.30 am Northern Ireland News Headlines.
England—6.10-6.15 pm South-West (Plymouth): Spotlight Sport: Regional results and reports. All other English Regions: Sport/Regional News.

BBC 2

6.25 am-1.55 pm Open University.
†3.10 Saturday Cinema: "The Overlanders," starring Chips Rafferty.
4.40 Golf: Martini International.
5.30 Snooker.
6.30 The Not The Finger In The Ear Show.
7.00 News and Sport.
7.15 Did You See . . . ?
7.55 Washington: Behind Closed Doors.
9.25 Snooker.
10.10 Man Alive.
11.00 News on 2.
11.10 Snooker.
†11.45-1.35 am The Films of Orson Welles: "Touch Of Evil," starring Charlton Heston, Orson Welles and Janet Leigh.

LONDON

9.30 am Sesame Street. 10.30 Cartoon Time. 10.45 The Adventures of Black Beauty. 11.15 Space 1999.
12.15 pm World of Sport: 12.20 On the Ball; 12.45 Rallying: The Fram-Autolite International Welsh Rally; 1.00 Darts: The News of the World Championship from Wembley; 1.15 News; 1.20 The ITV Seven from Newmarket and Newcastle; 2.55 Darts from Wembley; 3.45 Half-time Soccer News and Reports; 3.55 The ITV Seven—The Curragh: Airlie Coolmore Irish 2,000 Guineas; 4.05 Boxing: Welterweight Championship of the World—Sugar Ray Leonard (U.S. Champion) v Roger Stafford (U.S.): 4.50 Results.
5.05 News.
5.15 Worzel Gummidge.
5.45 Buck Rogers in the 25th Century.
6.45 Success: Lisa Stansfield, with Hot Gossip and Dustin Gee.
7.15 The Cannon and Ball Show.
8.00 "Scalawag," starring Kirk Douglas, Mark Lester and Lesley-Anne Down.
9.45 News.
10.15 Northern Lights starring Judy Parfitt and Annette Crosbie.
11.15 London News Headlines followed by Bizarre.
11.45 Continental Movie: "Aggression," starring Jean-Louis Trintignant, Catherine Deneuve.
1.30 am Close: Sit Up and Listen with Lady Ewart-Biggs.

+ All IBA Regions as London except at the following times:—

ANGLIA

5.09 am Sesame Street. 10.00 Sport Billy. 10.25 Thunderbirds. 11.20 Tarzan. 5.45 pm Chips. 11.15 Vegas. 12.15 am That's Hollywood. 12.45 At the End of the Day.

BORDER

8.40 am Untamed World. 10.05 Tarzan. 10.55 The Adventures of Black Beauty. 5.45 pm Chips. 11.15 The Streets of San Francisco.

CENTRAL

9.15 am Paint Along With Nancy. 9.45 Sesame Street. 10.45 Stingray. 11.15 Off the Record. 11.45 International Bowls. 5.45 pm Chips. 11.15 Bizarre. 11.45 Vegas.

CHANNEL

2.12 pm Puffin's Pla(i)ce. 5.20 WKRP in Cincinnati. 5.45 Sale of the Century. 6.15 Mr Merlin. 11.15 Bizarre. 11.45 Gladys Knight and the Pips.

GRAMPIAN

9.35 am Spiderman. 10.00 Tarzan. 10.50 Welcome Back Kotter. 5.45 pm Chips. 11.15 Reflections. 11.20 Thriller: "File It Under Fear."

GRANADA

9.25 am The Flying Kiwi. 9.50 The Undersea Adventures of Captain Nemo. 5.55 Sport Billy. 10.15 Sesame Street. 5.45 pm Chips. 11.15 The Darts World Knockout Cup Final. 11.45 Oracula.

RADIO 3 (extract)

Australia (S). Concert from the Concert Hall of the Sydney Opera House, part 1: Berlioz, Britten. 11.45 Giufa (short story). 12.05 pm Concert, part 2: Mozart, Strauss (S). 1.00 News. 1.05 Early Music Forum (S). 2.00 The Symphonies of Mahler (S). 4.15 Images of Debussy (S). 5.05 Jazz Requests (S). 5.45 Critics' Forum. 6.35 Mendelssohn and Martinu cello and piano recital (S).

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Peter Young. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards' Soul Spectrum. 8.00 Juke Box Saturday Night. 9.00 Richard Digance and Folk Friends. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 423

Black overlooked that after 1 N-B5, PxP? White plays 2 Q-N3! Black resigned at once, since White wins at least a piece (2...QxQ; 3 NxB ch or 2...R-B3; 3 NxB ch or 2...K-B2; 3 N-Q6 dis ch).

Solution to Problem No. 423

1 R-R2, NxR ch; 2 K-Q2 and 3 P-B3. If 1 . . . N-N6; 2 P-N3, K-B6; 3 N-N5. If 1...N-K7 ch; 2 RxN, P-R5; 3 P-B3.

COLLECTING

On the pine wagon

BY JUNE FIELD

DEALING IN pine furniture, whether stripped, restored or in its natural state is undoubtedly a phenomenon of the last decade as far as the antiques trade is concerned.

With specialist shops and warehouses opening up continuously all over Britain, some of them motivated more by enthusiasm than expertise, it is important to understand something of the background of old pine pieces.

Pine is a general term for a large number of important softwoods known as pine, with a distinguishing prefix, such as pitch pine, which was a distinctive yellow colour, and is from North America, where there are 25 species of pine alone. Sources of supply are widespread in Britain and Europe, and both in the trade and botanically there is much confusion in classification. Thomas Corkhill's useful *Glossary of Wood* (Stobart and Son £7.50), describes pines as "chiefly light, soft, stable and fairly durable," and gives a run-down on the varieties.

The type of furniture on offer generally falls into three categories: Simple country pieces of indeterminate age such as chests, coffers, cupboards, tables and chairs, which were mainly left in their natural state, cared for by waxing or scrubbing: Eighteenth century individually designed built-in furniture such as barrel-backed corner cupboards, bookcases, shelves and fire surrounds, often with architectural detail that matched the house: 19th and 20th century mass-produced furniture ranging over dressers, chiffoniers, sideboards, chest-of-drawers, dressing tables, wash-stands and wardrobes.

Much of the last two categories were originally painted, stained or veneered. And with the Victorians' love of decoration, even the more simple pieces were covered with a coat of something to match them in with the decor of the room, or merely to give them a new lease of life, a habit that lasted well into the present century.

Obviously an early piece enriched with floral, gesso or gilt decoration, or painted and covered to simulate the grain and colour of other woods, needs, where possible, restoration and renovation, not stripping. As a particularly indispensable little book *Pine Furniture and Kitchenalia*, recently published by MJM Publications, distributed by Mitchell Beazley, points out: "*Nowadays the increasingly* widespread acceptance of pine furniture (as representing an important stage in the development of furniture in general), has led to a new awareness, which just a few short years ago was sadly lacking." The authors, Pamela Stewart and Judith and Martin Miller applaud the fact that the better pieces are at last being spared the rigours of the stripper's tank, and that the old cry of "if it is pine, strip it," is becoming more cautiously uttered.

Over-drastic stripping can loosen joints and mouldings (the glue just rots), and the furniture can fall apart. And if a piece has been left too long in a tank of caustic acid, the wood literally foams at the mouth, the surface coming out in furry white patches which form a crystalline "bloom" which it is very difficult to get rid of. The latest commercial treatment is a "steam bath" after a short immersion in paint-softening chemicals. The pressurised steam neutralises the chemicals, and gets rid of any surplus paint from difficult corners; the piece is then left to dry naturally before any sanding (always with the grain, and never across it), and polishing (sometimes up to six applications, depending on how porous the wood is), takes place.

Much of the pine in the past has come from Ireland, sometimes bought from tinkers and shipped over in van-loads. And one dealer admitted that good quality pieces are getting harder to find: "And often it is necessary to go to general dealers who love nothing better than to sell you in bulk, which means taking the crude pieces with the better stuff, and we just have to make the best of them."

Irish dressers and cupboards tend to be elaborately ornamented, often with fan-tail carving, cotton-reel mouldings and scalloped cornices. Welsh and English dressers are normally more carefully constructed and in better condition, sometimes with more sophisticated fluting, with applied, turned and carved pillars, *peg-joined* throughout.

Country pine pieces are not easy to date, as their style was not subject to the whims of fashion and did not change much over the years. You need to examine closely the parts that have taken the most wear and tear, like feet and handles. Holes where they should not be usually reveal that original porcelain or wood handles have been replaced by modern brass, and fresh feet will probably show up by the contrasting grain and colour of the wood, as will "married" pieces—that is a dresser with a different top and base. However, in basic, well-used items a certain amount of restoration is understandable and inevitable, and usually acceptable, provided the price is right.

It is important to bear in mind that pine not only appeals to the purists who appreciate the grain of the wood, but to the average family who wants to furnish with interesting pieces to suit their pocket. And as they say at The Pine Mine, 100 Wandsworth Bridge Road, in London's Fulham: "You don't have to think that pine is just for the kitchen. It is useful furniture to grace any room." But they do suggest that 19th century Lancashire sideboards can be incorporated into a fitted kitchen unit. They also specialise in doors, panelling and chimney pieces, and will strip your own items.

Other interesting objects to look for, illustrated in the *Pine Furniture* book, which is also a buyer's price guide, are early 19th-century abacus' (£10-£12), slightly later pitch pine chart desks (£300-£350), and various "flights" of small drawers-used for storage of spices, herbs, medicines or carpenter's nails. Novel dairy, bakery and kitchen pieces include a Victorian ice-*cream maker*, bread-*proving* cupboard and cucumber slicer, plus wall-hanging boxes for salt and candles, and racks for spoons and various of those old wooden plate-racks which were summarily banished from the kitchen when plastics came in. The specialist dictionary tells where to find pine, listing some of the numerous long-established dealers such as Richard Morris along the *Wandsworth Bridge* Road, SW6, to those in Derbyshire, Dorset, the West Midlands, Wales and so on. The choice is immense, with Chez Chalons claiming 20,000 square feet of pine. They have moved, incidentally, to Old Hambridge Mill, Hambridge, near Langport, Somerset. (Write or telephone 0458 252374 for a location map.)

Alas poor Yorick, a motley lot!

STAMPS

JAMES MACKAY

FOR THE 1982 Europa stamps, the Conference of European Posts and Telecommunications decreed that member countries should choose "two profoundly influential historic events" in their history. Criticism of the earlier Europa issues was levelled at the fact that they were monotonous, each country having to conform rigidly to a standard design.

In the 1970s the uniform design was scrapped, to be replaced by the issue of stamps with a common theme, and this worked very well so long as the brief to member countries was limited to a single clearly-defined subject. This year, however, the brief is so sweeping in its breadth that it is capable of an infinite range of interpretations and has effectively destroyed any cohesion which the Europa stamps might have had.

The result is a motley assortment of stamps and sets whose only common denominator is the CEPT linked posthorns logo and the word Europa. The British Post Office, probably the least enthusiastic issuer of Europa stamps, having returned to the fold only in 1979 after a gap of 18 years, has reduced the word *Europa* to *illegible* proportions, and the only other indication that the set of four stamps issued on April 28 has anything to do with the Europa series is the discreet insertion of the CEPT logo in faint metallic ink in the lower left-hand corner. No other caption appears on these pretty pictures depicting a ballerina (15½p), a harlequin (19½p), Hamlet addressing Yorick's skull (26p) and an opera singer (29p).

Just how this fits in with the CEPT notion of "profoundly influential historic events" is not clear but a few captions would not have come amiss. We might then have learned that the lady on the top value is probably Polly Peachum from The Beggars Opera which John Gay wrote and the "profoundly influential event" which this entire series bangs on is the fact that John Gay died 250 years ago this year.

This would have been a slender enough pretext for a stamp issue, with so many other worthier causes and historic personalities to choose from, but to use this as an excuse for a set of four frankly thematic stamps devoted to *aspects of* the British theatre does not, in my opinion, obey either the spirit or the letter of the Europa brief.

Most member countries have tried to do justice to this year's theme. Cyprus has chosen dramatic events of 45 AD and 965 AD which had considerable influence on the island's development. The 40 mils stamp shows the liberation of Cyprus by the Emperor Nicephorus II Phocas, while the 175 mils depicts the conversion of the *Roman proconsul Sergius Paulus* by Paul and Barnabas to Christianity after their famous defeats at Paphos.

The Isle of Man 9p stamp portrays Bishop Thomas Wilson who held the See of Sodor and *Man for 57 years* and did *much* to improve the spiritual and material wellbeing of the Manx. His "Principles and Duties of Christianity," the first book printed in the Manx language (1707), appears in the background. *Thomas, second* Earl of of Derby and last King of Mann, is portrayed on the 19½p. He dropped this title, saying that he preferred to be a great lord rather than a petty king.

Finland has also concentrated on cultural events, with a statue of Michael Agricola and the title page of the first book printed in Finnish in 1543 (Fmk 1.20) and the inauguration of Turku Academy, Finland's first university, by Count Per Brahe *in 1640* (Fmk 1.5).

Denmark has chosen the abolition of adscription, a form of serfdom, in 1788 (Kr 2) and the grant of votes to women in 1915 (Kr 2.70), highlighting aspects of the country's political development. Sweden's pair depicts the land *reform* of 1860 which replaced the ancient strip system by consolidated holdings (Kr 1.65), and Anders Celsius, inventor of the metric temperature scale (Kr 2.40).

By contrast, Norway has *selected two events from the* present century: the disembarkation of King Haakon VII from the Heimdal in November 1905 after his election as king of Norway (Kr 2) and Crown Prince Olav greeting King *Haakon at the liberation of* Norway on June 7 1945 (Kr 3).

For Switzerland there could have been little choice; both stamps allude to the foundation of the Swiss Confederation in 1291, and show the swearing of the oath of eternal fealty by the representatives of the three original valley communities (40c) and the parchment of the treaty between Uri, Schwyz and Unterwalden (80c).

The Treaty of Verdun (843) which divided the Carolingian Empire and established modern France is the subject of the French Fr 2.30, while the Treaty of Rome (1957) which established the EEC is featured on the Fr 1.60. West Germany has also chosen the Treaty of Rome for the 60pf stamp, while the 50pf shows the Hambach Meeting of May 1832, a mammoth demonstration in favour of German unity.

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EDUCATIONAL

LEGAL NOTICES

TRADE MOTIVATION (LONDON) LIMITED

NOTICE IS HEREBY GIVEN pursuant to S293 Companies Act 1948 that a meeting of the creditors of the above-named Company will be held at 11-15 Emerald Street, London, WC1, on 1st June 1982 at 9.30 a.m. This is a correction to the Notice published on 14th May 1982.

By Order of the Board.
A. MACHIN, Director.

PERSONAL

EXHIBITIONS

PUBLIC NOTICES

SWEDISH CITIZENS

The Swedish Parliament Elections will take place on September 19, 1982.

All Swedish citizens over 18, who have at any time been registered in Sweden are entitled to vote, provided they have registered with the National Swedish Tax-board (RSV) before June 1, 1982 to obtain a voter's card.

Application forms are available at the Swedish Embassy, telephone number 01-499 9500 and Swedish Consulates.

SPORT

Seve, the coming man ... Trevino, a fall from grace

Seeing the best of Ballesteros

GOLF

BEN WRIGHT

RECENT EVENTS in golf on both sides of the Atlantic indicate dramatic changes in the balance of power. In Europe the second victory this season of Seve Ballesteros last Sunday, in the Paco Rabanne French Open, indicate that the 25-year-old Spaniard is back to the brilliant level of performance that makes *him* easily the most exciting golfer in the world.

But perhaps an even more significant fact going into the Parisian event is that there were five Spaniards in the top six of the European money list, only England's Italian Open winner Mark James in second place preventing a clean sweep. It seems that when Ballesteros is in his best form his countrymen *gain* much *from his* inspiration.

Last Sunday's victory came exactly a year since Ballesteros had made his first European appearance of his troubled 1981 season, also in the Paco Rabanne French Open, in which he finished third. It is history now that Ballesteros went on to win the Scandinavian Enterprises Open, and for the first much coveted time, *the* Benson and Hedges Spanish Open in a year that saw him finish only seventh in the Order of Merit, in spite of a personal best monetary haul of £65,928.

Another £30,000 came his way in the Suntory World matchplay championship, when he became the event's first European winner, he took home to Santander a pouchful of Australian dollars for winning that country's PGA championship, and a barrow load of yen for victory in the Japanese Dunlop Phoenix tournament.

Despite this blistering late run it was totally fatuous for the British magazine, Golf World, to trumpet that Ballesteros was the World's Number One golfer in 1981, although opinion was fiercely divided in America regarding the respective claims to that title of Tom Kite, or Open champion Bill Rogers, who also just happened to win the World Series of Golf, the Sea Pines Heritage Classic and the Texas Open in the U.S., the Suntory Open in Japan for the second successive year, and the Australian and New South Wales Open Championships.

But if the golf season started and finished in early May there would be a good case for calling Ballesteros the best golfer in the world at the moment. This year he won $160,000 for losing that strangely memorable South African shoot-out against Johnny Miller, an anything but sudden death play-off that went to the ninth hole.

In his early skirmishes on the U.S. tour Ballesteros finished 10th in the Doral Eastern Open, 11th in the Honda Inverrary, sixth in the Tournament Players' championship, and finally third in the Masters, winning nearly *$40,000. His* subsequent European victories in the Madrid Open and last weekend in Paris cap a fantastic 12 months that without doubt re-establishes Ballesteros as the European Number One.

Bernhard Langer, West Germany's pride and European Number One in 1981, has made such a stumbling start that it is difficult to see him, or anyone else for that matter capable of arresting Seve's majestic progress to a *fourth* Vardon Trophy triumph. Ballesteros won in three consecutive years from 1976, but since then has finished second and then third to Sandy Lyle, and last year seventh as Langer created an all time money winning record.

Ballesteros needs only to win again in America—preferably the U.S. Open—to become the best golfer in the world, but to be the best you must beat the best.

In America the most easily overlooked, but significant fall from grace has been that of Lee Trevino, who so far this season has won only $18,000 and languishes in 86th place in the money list, having won just under $1,000 more than Gary Player in *90th* place.

How times are changing. Since Jack Nicklaus's promising start to the season he, too has slid inexorably down the money list, missing cuts with increasingly unlikely frequency. Arnold Palmer is only a factor now as a cult figure and in seniors' tournaments, so the old guard is in imminent danger of extinction.

But Trevino's *eclipse* is easily the most dramatic, since he slumped from second place and his best ever year with three American victories in 1980 to 23rd place—his earnings cut by nearly two thirds—last year. It is hard to say which is worse, Trevino's ailing back or his now entirely suspect putting. And if the decline and fall continues at the present alarming rate I *shall not be surprised* if this wonderful entertainer restricts his appearances in the future to events in which for merely appearing he can earn a king's ransome—but only outside the U.S.—or in exhibition matches, clinics and outings with the captains of industry, at which he has no rival for the wit of his constant, happy banter and his bewilderingly *skilful* dexterity in manoeuvring the golf ball. His passing from the scene will be much mourned when it happens.

Thankfully going in the other direction—up—are two of my close friends, Ed Sneed, winner in Houston last Sunday, and Australia's Bob Shearer, his play-off victim. Sneed has been a soul in torment since dropping strokes to par at the last three holes at Augusta to forfeit a three strokes lead and lose the 1979 Masters.

Ballesteros: back to top performances

I could hardly bear to watch on Sunday as he faced a similar putt to tie that he had so tragically missed at the 18th hole at Augusta. That resolute putt, and Sneed's birdie two to win at the 15th, the first play-off hole, brought a tear to these jaundiced eyes.

Shearer has incredibly progressed from self-doubting journey-man on the American circuit—despite 14 victories elsewhere—to star in demand in his past five *American* tournaments, in which he has finished fourth, first at Tallahassee, second, sixth and second to take his season's earnings to $107,685, almost twice his best ever for a whole year.

A review of the 1981-2 season on the football field

The good, the bad and the ugly

SOCCER

TREVOR BAILEY

TODAY is the official end of the Football League season, though a few matches still remain to be played. It may not have been a vintage year, but it has been full of interest, containing many good, some bad and a few really ugly things.

Although there may be a shortage of footballers of true international calibre in the UK, there is certainly no lack of competent performers, which is reflected by the fact that England, Scotland and Northern Ireland all qualified for the World Cup, while Wales and the Republic of Ireland only just failed to reach the final stages.

The most impressive performance came from Northern Ireland who with a population of only 1½m finished ahead of Portugal and Sweden in a difficult group, and also twice held the winner, Scotland, to a draw.

Inspired by the fervour of the Windsor Park crowd they did not concede a single goal in their four Belfast matches, and yet their team was composed largely of footballers from the lower divisions. Under the *intoxicating guidance of their* manager, Billy Bingham, they showed just what can be achieved by effort, determination and a green shirt.

In the *First Division*, Liverpool had a jittery start, but regrouped and pulled themselves together like true thoroughbreds to win the most demanding league in the world, as well as carrying off the League Cup. They again demonstrated the value of being able to retain a squad, not just a team, of top quality players.

For the second successive year *Ipswich* were cruelly weakened by injuries without sufficient cover and had to settle for second best. Unlike the Merseyside machine which will surely finish in the top five next year, the *Suffolk* club could well have passed their peak without ever acquiring the rewards their football has deserved.

The titles for the most improved, disappointing and unlucky clubs go *respectively* to Swansea, West Bromwich and Tottenham. For a period, Spurs were the most exhilarating side in the land and in serious contention for four honours. Now they could well finish with *nothing*. At home, Southampton were excellent value, but in the main it was a season which most First Division clubs and their managers will be happy to forget.

It was a different story in the Second *Division*. The two already promoted clubs, Luton and Watford achieved their success with considerable style. In addition teams, like Norwich, Sheffield Wednesday, Leicester and Rotherham have been *regularly* serving up football which could well have taken them up in a less demanding year. And it was not just the luck of the draw that allowed the Second Division to do so well in the FA Cup, which Queen's Park Rangers could still win.

The ugly face of the soccer season

The bad features of the season fall into three different categories, *financial*, tactical and climatic. Gates continued to fall and as both costs and wages increased it was inevitable that more and more league clubs would be tottering towards bankruptcy.

Several, including Bristol City and Oxford United only just escaped liquidation and the whole league system needs to be reconstructed drastically to meet the demands of the 1980s. At the moment it is still more geared to the 1930s when clubs could exist on gate receipts and the importance of sponsorship and television were unknown.

There were, mercifully, many exceptions but much of the football presented proved to be clinically efficient but depressingly predictable and short of excitement with the odd goal resulting from an unforced error, or a dead ball setpiece.

With directors demanding success and managers knowing that *their jobs depend upon it*, it is hard to blame them for adopting a negative approach aimed at reducing the effectiveness of a more talented opposition and possibly cashing in further on their frustration by stealing a goal.

Many managers have advocated a winter break, but the problem in this country is nobody knows when the worst weather will occur. This season it coincided with the Christmas period, which has not had snow for a long time and when gates are traditionally very large. The outcome was a substantial loss of revenue which caused cash flow problems and fixture congestion.

The ugly, and totally unacceptable side of football, has again been much in evidence. Aston Villa who did remarkably well to reach the final of the European Cup Final have been heavily fined because of the *mind*less violence of some of their supporters at the semi-final in Brussels. The incidents almost led to a ban on Villa. An Arsenal fan was *recently* murdered in a street outside Highbury after the West Ham match in which another moron had thrown a smoke bomb.

It is sad to say but the truth is if England, Scotland and Northern Ireland are forced to withdraw from the World Cup in Spain the tournament will probably be far more enjoyable and civilised. There will then be fewer British supporters around to leave their accustomed trail *of violence, destruc*tion and drunkenness.

SPORTS DIARY

RACING: Tote Lockinge Stakes, Newbury, today; Irish 2,000 Guineas, The Curragh, today; Predominate Stakes, Goodwood, Wednesday; Flat meetings today at Beverley, Newcastle, Newmarket, Newbury; National Hunt meetings today *at* Hereford *and* Warwick (Newmarket, Newcastle and Newbury on TV)

SOCCER: FA Challenge Trophy Final, Altrincham v Enfield (Wembley), today

RUGBY LEAGUE: Slalom Lager Premiership Final Hull v Widnes (Leeds), today

SPEEDWAY: Team Speedway world championship, Round 2, King's Lynn, tomorrow

SNOOKER: Embassy World Professional Championship, Sheffield, today and tomorrow

BADMINTON: Thomas Cup *Final*, Royal Albert Hall, London, Thursday and Friday

GOLF: *Martini International*, Lindrick, Yorkshire, today and tomorrow

RACING

DOMINIC WIGAN

ONLY ZINO's tenacity *coupled* with an inspired ride by Freddy Head robbed Wind and Wuthering of success in the 2,000 Gns, and it will be disappointing for all connected with him if he fails to go one better at The Curragh today.

The Kingstone Warren colt whose impressive pillar-to-post victory in the William Hill Dewhurst Stakes was to earn him a rating above all except for Green Forest in last year's international *two-year-old* classification should have nothing to fear from Tender King and Achieved on their Newmarket running. Tender King was just over two lengths behind Wind and Wuthering when a soundly-beaten third over the Rowley Mile.

*Unless that hard race at New*market has taken the edge off Wind and Wuthering, he should be a good bet at 5-2, the odds offered against *him* by the Sean Graham Organisation, Ireland's leading bookmakers.

Of the 13 other runners, I have most regard for Lester Piggott's mount, the ultra-tough Cajun, a 5-1 chance with Graham.

Returning to the home front, *Newbury* is again responsible for another top group race with the £32,000 added Tote Lockinge Stakes. Although only seven line up for this event over the straight mile, what the race lacks in quantity it makes up for in quality through the presence of The Wonder and the recent Leicester protagonist, Noalto and *Motavato*.

Motavato ruined his chance *through refusing* to settle in the early stages of the Philip Cornes Trophy and there may have been just too much speed for The Wonder, a Group 1 winner but a colt who almost certainly needs nine or ten furlongs to be seen at his best.

Turning to racing elsewhere, Cordite Spear *may well be able* to justify the long haul north from Sussex for Newcastle's XYZ Handicap. Another Harwood colt Off the Hook can get backers off on the right foot at Newmarket.

On his only previous outing this term, Off the Hook failed to get in a blow in the Rowley Stakes on April 15 after getting badly worked up in the preliminaries. He deserves another chance. But for the safest bet of the day I return to Newbury where Annie Edge can confirm the notable promise she showed at Leicester with a win in the opening Newbury Tote Spring Festival Stakes.

CURRAGH
(Irish 2,000 Gns)
Wind and Wuthering

NEWBURY
2.00—Annie Edge***
2.30—Prince Bee
3.00—Motavato
3.30—Kinnigger
4.00—Sanjarida
4.30—Open Day

NEWCASTLE
2.15—Doc Marten
2.45—Cordite Spear**

NEWMARKET
1.30—Off the Hook*
2.30—On Return

FINANCIAL TIMES
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Saturday May 15 1982

When the cat's gone away . . .

THE FALKLANDS crisis has fnr the time being retired behind closely guarded donrs at the UN headquarters in New York, leaving the pnhlic (and the markets) in a state of suspended hopefulness. Hope, however, keeps company with douht, and ministers remain deeply preoccupied with the precise forms of words and action which might be accepted in Buenos Aires and yet regarded as honourahle here.

Were ministers not so heavily preoccupied with the crisis in the South Atlantic they might by now he giving snme urgent attention to another potential crisis in a totally different field. There are growing signs that the single-minded expansionism of the hanking system is in danger of undermining the Government's monetary strategy.

The figures were already suggestive last year; but at that time it could be argued that competition in the mortgage market was merely a matter nf market share, while the larger aggregates of lending and money were heavily distorted by the Civil Service strike.

Welcome

These explanations are now looking threadhare, as the stockbrokers Greenwell, who have for years heen among the leading monitors of the monetary scene, pointed out in a strongly-worded circular this week. There is a growing feeling, both in the City and in Whitehall, that something — something so far nameless — will have to be done.

This feeling may well explain the almost frenetic level of activity among the clearing banks in bidding for new retail deposits and offering new personal lending services. Barclays has announced its wish to resume Saturday opening (unions permitting), NatWest is offering 100 per cent mortgages, and Lloyds has bought a Norfolk estate agent to steer business its way.

Saturday opening would be welcome. However lending without margin, even in the domestic property market, hardly sounds like sound conservatism. The purchase of an estate agency, trivial enough in itself, might well be regarded as an outrageous precedent.

Even in Threadneedle Street, where enterprise among the banks is usually regarded indulgently, patience with the managements of the commercial banks seems to be wearing thin.

The reader, anxious perhaps for access to a bigger and better mortgage, may well wonder what harm there is in all this competition for his favour. The answer is that in many roundahout ways it hurts the rest of the economy, delaying the fall in interest rates which would assist industrial recovery. When hank lending is growing at nearly twice the rate allowed even under the new, mnre permissive monetary targets, anti-inflation policy comes under great strain.

In the last few months the strain has been taken in a very odd way—gross over-funding by the Government. Government stock issues and national savings raised nearly £5bn more than the Government needed to finance its own (unexpectedly low) borrowing requirement.

Recycled

The excess money was fed back into the banking system through enormous official purchases of commercial bills, thus keeping the banking system liquid. As a result of this process, long-term funds raised by the Government were recycled into bank lending, maintaining the crowding out of capital markets and preventing the major rally in gilts which might otherwise have been expected. Yet the whole aim of the tough budget of 1981, and the endless subsequent drives to cut public spending, has been to create room in the capital markets to finance recovery.

This is an over-simplified sketch, of course, and one thing which has been impeding any official response is the difficulty of explaining the level of lending except in the mortgage market (which has a starting growth rate of over 90 per cent, but is not a large part of the total). Sometimes it seems that corporate borrowers have seen the heavily-supported bill market as a cheap way to finance their foreign currency needs. There has been large-scale corporate borrowing to support financial dealing, which suggests that the City specialists are not as sophisticated as they like to claim, but does not necessarily increase the danger of future inflation.

Whatever the explanation, however, it seems likely that the game of financing hank expansion through wbat amounts, for all practical purposes, to a large increase in the PSBR to finance industrial lending, will sooner or later be hrought to an end.

Helpful

The unpleasant dilemma which will face ministers when they turn their attention to the matter is whether to attack credit demand hy allowing short-term interest rates to rise (perhaps temporarily), and probably see sterling rise uncomfortably too, or whether to go for some more discriminating form of intervention, such as special reserve requirements on long lending (common in other countries). Either way, the mortgage finance now on offer may not he so plentiful, or so cheap, as it looks today. A gilts boom would be more helpful to the Government than a mortgage boom.

Braniff flies into the sunset

By Richard Lambert in New York

TAKE TWO airlines. One boasts a gleaming new headquarters, lined with expensive paintings and costing $700,000 a month in rent. The only U.S. airline ever to operate the Concorde, it also commissioned Pucci to design its attendants' uniforms and artist Alexander Calder to paint over two of its aircraft in bold, wavy colours. It coined the phrase: "When you've got it, flaunt it."

The other airline operates out of a dingy auite of offices in Newark. If you want to check your baggages, you have to pay; if you want a cup of coffee, you have to pay. You don't have to pay for hot meals—there aren't any. Its flying costs per seat mile are a little over 5 cents, about half the competition's.

The first of the two is Braniff which, after months of agonising retrenchment, finally flew into the sunset this week. The second is People Express, which has huilt a fleet of 17 aircraft in the first year of its existence, and was one of the very few U.S. airlines to make an operating profit in the first quarter of 1982.

Braniff's days of glory lasted so long as air fares in the U.S. were strictly regulated by government authority, and airlines competed on service rather than price. All that changed in October 1978 when President Jimmy Carter passed deregulation laws which enormously increased the freedom of entry inln the U.S. markets. As one People Express executive put it this week: "If it wasn't for deregulation, we wouldn't be here."

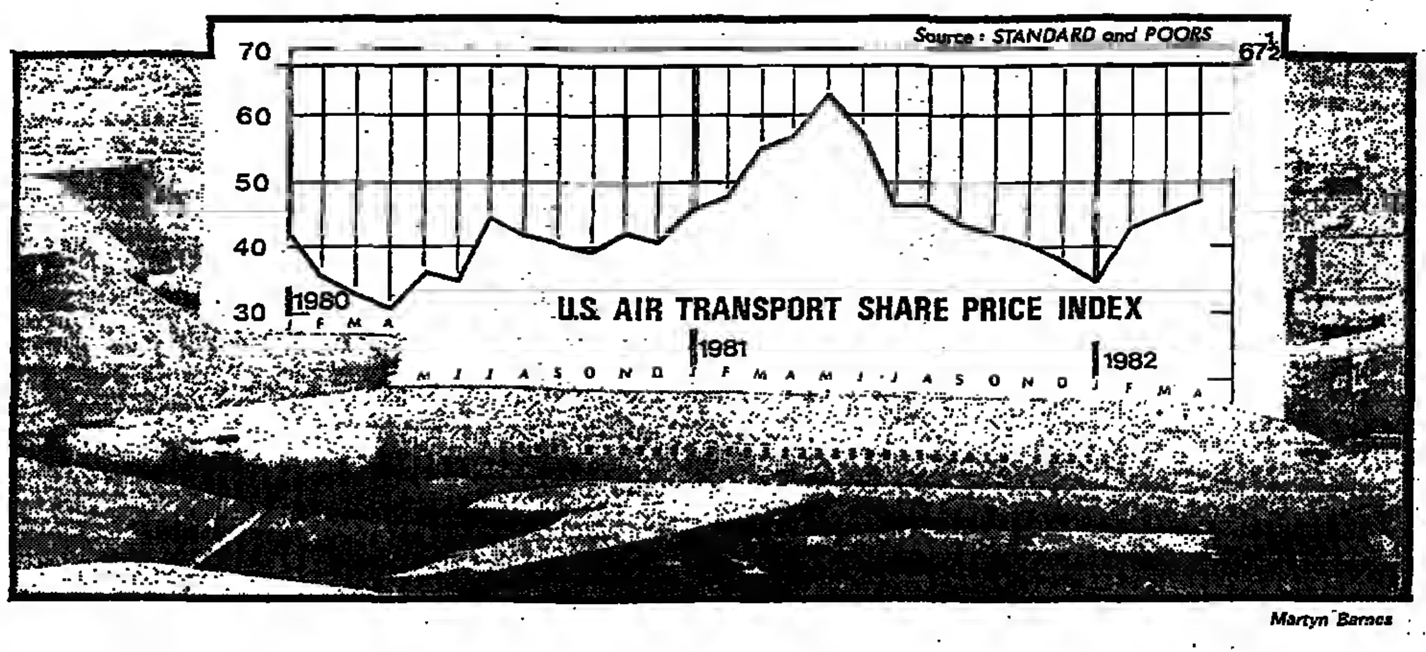
Braniff is not the only established airline to have suffered during the last three years. U.S. carriers reported an operating loss of more than $500m on scheduled flights in the first three months of this year, compared with what had been a record loss of some $428m for 1981 as a whole. In the 12 months to June, they are expected collectively to lose over $1bn, and they have not made a profit since 1979.

So it is not surprising that in the past few months there has been growing disquiet about the impact of deregulation. World Airways, which was one of the pioneers of fare discounting and is now in serious financial difficulties, went so far as to petition the Civil Aeronautics Board to impose limits on discounting.

It got nowhere. But some members of Congress are also looking at the issue. One obvious feature to catch their eye is the gross disparity which now exists in airline fare between different routes, depending on the level of competition.

For instance, the round trip from New York to Los Angeles costs just under $300. But a return ticket between Cleveland and Dallas—a trip which involves not much more than a third of the distance—costs $450.

However, there are lots of other reasons for the airline industry's troubles. The recession is one: far from the normal growth rate of 5 per cent or more, the number of passengers carried on U.S. scheduled flights last year fell by nearly 4 per cent. High interest rates are another. Every point on the prime rate adds about $30m to the industry's financing costs. The high price of fuel has been another heavy burden, accounting for about a third of Braniff's operating expenses last year.



Martyn Barnes

The collapse of Braniff may lead U.S. travel agents to look for the next airline bankruptcy candidate. But share prices of financially secure airline companies have rallied, for these should start making profits later this year.

The biggest single reason for Braniff's collapse stems from what Mr Dan McKinnon, chairman of the Civil Aeronautics Board, politely descrihed this week as "had management decisions."

Braniff saw deregulation both as an opportunity and a threat. Fearing that its route network could be attacked by stronger rivals, it determined to break into the hig time itself and in the months following the new law, it opened services to 18 additional cities in the U.S., four in Europe and another four in the Pacific/Far East. Between 1977 and 1979, its long-term liabilities more than doubled to $665m.

This dash for growth ran slap into the U.S. recession, and brought financial pressure on an enormous scale. There are obvious similarities with the downfall of Sir Freddy Laker in the UK earlier this year. Both airlines started with a successful formula, expanded beyond prudent financial limits, modified their staff in a bid to attract more passengers, and were finally brought down by growing public awareness of their financial difficulties. The final weeks of both airlines saw a sudden and precipitous fall in passenger traffic as travel agents steered their clients to other carriers.

Mr Howard Putnam, who took over Braniff's management last autumn, is specifically not blaming deregulation for what happened this week. But there is one sense in which is added to his difficulties. In the old days, an airline had two main assets: its aircraft and its route network. So when North East got into trouble in 1972, Delta bailed it out to gain access to its routes.

Since the domestic network is now open to all licensed carriers, the valne of such an asset is a lot less than it was. And in today's chaotic market, no-one was going to buy Braniff for its aircraft.

A large part of the U.S. airline industry was hotly opposed to deregulation when it happened, but the mood has changed. Delta was one of the strongest opponents of the legislation but now, it says, "the eggs have heen scrambled." [It would like to see the Civil Aeronautics Board abolished at once, rather than in 1985 as currently planned.]

Consultants McKinsey and Company recently analysed the impact of deregulation on five U.S. industries — stock broking, office telephone systems, airlines, trucking and railways. The conclusion was that three clear groups of winners are emerging from the fray. One is the big national company with a full line of attractive products and services — like Merrill Lynch or Delta. Another is the low cost producer — often a new entrant to the market such as the discount hroking firms or People Express. The third category is the specialty firm with strong customer loyalty.

Braniff has spent the past few months desperately trying to fit itself into the second of these three groups. It failed, and it is perfectly possible that others will, too.

Although the share prices of all the airlines have been marked up sharply in the past couple of days, there is a domino theory on Wall Street. This was expressed last week in a speech by Mr Julius Maldutis, an analyst with Salomon Brothers. "If one major U.S. airline folds," he said, "I submit it will be followed by several others in quick succession." The fear is that travel agents, who are responsible for about 60 per cent of ticket aales in the U.S., will not trust the default protection scheme which was cobbled together earlier this year and will immediately start looking for the next bankruptcy candidate.

Moreover, the international airline industry has not yet pulled out of its nosedive. Members of the International Air Transport Association, representing about three-quarters of all scheduled international traffic in the world, lost $1.7bn on their international routes last year. In 1982, IATA reckons, the loss could come out anywhere between $250m and $2.5bn, depending on slight variations in traffic and prices.

The impact of deregulation has rippled across the Atlantic to Europe, where fare structures are less rigid than they were five years ago. In Europe, there is an added complication in the form of national flag carriers like British Airways, which can make enormous losses and still keep flying.

The repercussions of all this spread well beyond the airline industry. Mr T. Wilson, chairman of Boeing, said last week that the short-term picture for his company was "disaster." In his view, the airlines bad taken such a beating that they would not start ordering aircraft again for perhaps a year after their businesses started to recover. A recent analysis by the Merrill Lynch White Weld capital markets group put the new investment requirements of the U.S. trunk airlines at around $4bn in 1985. A year ago, the group was projecting nearly twice that figure.

But within the U.S. itself, the first signs of a return to more stable business conditions are beginning to emerge. Passenger traffic picked up by more than 5 per cent in the first four months of the year, and airlines like Delta expect that price discounting will become less of a problem in the coming months. The airlines have managed to extract substantial concessions from their employees, and fuel costs have been easing.

According to Mr Maldutis, 1982 has all the ingredients for becoming a transition year for the U.S. airlines. That view has been recognised on the stock market where the share prices of the financially secure companies have been rallying sharply for most of 1982. These strong companies will survive, and should start making profits in the second half of the year. But some airlines have taken such a hattering in the last few years that for them—like Braniff—the recovery may come just a few months too late.

A TRULY DEREGULATED AIRLINE

"WE DON'T offer anything free that we can separately charge for," says Don Burr, 40, chairman of People Express. This so-called "unhundling" of charges for separate services is the key to success in a deregulated indnstry — whether it be stockhroking nr airlines.

Burr runs a very tight airline. There are no secretaries—"I do all my own telephnne and paper work"—and no unions. Workers are expected to shift from job to job, depending on where they are most needed at any one moment. Burr himself has been known to man the switchboard in busy times.

People Express works its aircraft hard, too. It bought its 17 Boeing 737s from Lufthansa for a little under $4m each (they cost as much as $17m new) and by tearing out the first-class compartment and the galleys, it was able to add 28 seats to each plane. Its aircraft fly for upwards of 10 hours a day, far in excess of the U.S. industry's average.

Prodnctivity is the key to the airline's low costs. It has just 694 full-time employees—or 41 per aircraft, which is about half the average for an efficient U.S. airline. All the full-time employees have to buy shares in the company before they are taken on, and their average holding, according to Burr, is now worth over $20,000.

People Express passes its low costs on to the customer. It charges about 7 cents a mile on its rontes to Florida and Buffalo, which—it claims—is a good bit lower than the comparable bus or train fare. One of its sales pitches is that it is cheaper to fly People Express than it is to drive. In contrast to the plethora of fares offered by other airlines, People Express has only two different rates—peak and off-peak.

Burr, who spent time with a New York investment firm before moving on to Texas International Airline, thinks it is possible that the Braniff collapse will bring pressure to re-establish a regulated fare structure. But, naturally enough, he does not think any such move will be successful. "The public has got used to low fares," he claims.

For the time being, People Express will remain a domestic airline. Last summer, it applied unsuccessfnlly for permission to fly between Newark and London. According to Burr, there should be a slot for a U.S. carrier on that ronte in two or three years' time. That might be when Europe gets its first glimpse of an airline that makes Sir Freddie Laker's old operation look positively extravagant.

Letters to the Editor

Invasion

From Mr P. Burke

Sir,—For long years now your paper has heen a part of my daily intake, but the attitude of your leader writers and nther contributors on the subject of the Falklands is so infuriating that I will have nn more of it.

The key point is that we have been invaded and nothing, but nnthing, seems to get this nne cardinal point into your writers. They are far too removed from what has happened and theoretical, for nothing is pushing them ennugh.

Perhaps an armed invasion and occupation of Bracken House, for that is what has happened to the Falklands, might concentrate their cnllective minds a hit.

Peter Burke.
Auberies, Sudbury, Suffolk.

From Mrs S. Rnsen

Sir,—The article hy Reginald Dale "A naval war in ancient Greece" (May 13) is, no douht, a very clever analogy. Whether, hnwever, it is in the best of taste is annther question.

I wish in protest at its tone, and feel that the final sardonic paragraph is not only subversive but calculated to cause great distress amongst all families, friends and well-wishers nf thnse vnlunteers presently in action.

(Mrs) S. L. Rosen.
8, Grnve End Gnrdens,
33, Grove End Road, NW8

Frnm Mr H. Lovender

Sir,—How very encouraging it was to read (May 12) your editorial regarding the attack on the BBC and Chris Dunkley's reasoned columns on the same subject. Attempts to put pressure on the BBC hy Governments nf any colnur are deserving of the instant condemnation which your paper has rightly dispensed.

Harvey D. Lavender.
5, Westhill Road, Leicester.

Mail

From the Chairman, Post Office Users' National Council

Sir,—In your article (May 3), about the ending of the 7 pm letter collection in some districts of London, you attribute to the Mail Users Association the statement that this Council is paid "to dance to the Post Office tune without representing the customers' interests."

Why the MUA should wish to engage in such bellicose and ill-considered utterances is unclear. What is not in any douht is that the customer cause which we both seek to represent in our different ways is not best served by accusations which are patently unfounded.

For the record, POUNC members are drawn from a wide variety of backgrounds expressly tn represent a hroad section of customer opinion. They give freely of their time and talents. They are unpaid. Most of the costs of running this council goes towards providing a complaints service for Post Office and British Telecom customers as required by Act of Parliament. Over 80 per cent of the council's staff resources are devoted to remedying customers' grievances, with considerable success in many cases.

The MUA has a short memory as regards POUNC's representation of customers' interests: only a few mnnths ago this council was instrumental in persuading the Post Office to defer increases in prices across the whole range of its services. The "saving" tn customers was put at around £12m.

On the mnre specific matter of the withdrawal of the 7 pm cnllection, we considered carefully the implications of any change nn customers. We questinned the Post Office on several aspects of its proposal before reaching a conclusion. We established that out of a total of around 12m items collected every week in the areas involved, a relatively small number of letters—just over 400,000 in the first class stream—would be directly affected. There would be a saving of more than £4m a year. And there would still be collections from many sorting office boxes up to 6.30 pm. We considered it would not be in the interests of customers in general to oppose the proposal.

The financial saving may seem a small nne. But it is part of an economy/efficiency drive by the Post Office which has already produced much larger savings. Customers saw some benefit from these in the deferment in the last round of price increases. We expect the Post Office to sustain and huild on its achievements so far. Our hope is that the 12 months period over which Posts has pledged to keep prices stable will be extended.

Thomas J. Attwood.
POUNC, Waterloo Bridge House, Wnterlno Rnad, SE1.

Conveyancing

From the Chairman, British Legal Associntion

Sir,—Befnre seeking to cnrrect me, Mr J. Frodsham (May 8) should get his facts right. An ad valorem scale — upon which bank trustee departments base their charges — is nne where the charge is calculated solely by reference to the value nf the estate or property in question. Of course, the price of the property has some hearing on the fee for conveyancing although it is nnly nne of many factors, including mnst importantly the complexity which can nnly he fully judged hy the solicitor when the transaction is completed. Any earlier estimate can only he an approximation.

Mr Frodsham's second point shows that he prefers quantity to quality and makes no allowance for the thought which underlies any actinn. If he thinks that any solicitor can give him a sensible reply to any qnestion without the relevant facts, he has a lot to learn.

Stanley Best.
29, Church Road, Royal Tunbridge Wells, Kent.

Openness

From the Chairman, Policy (Finance) Sub-Committee, Cardiff Borough Council

Sir,—In reply to the letter from Mr Berridge (April 29) concerning secrecy in lncal government, I feel he has confirmed the point that local government independence bas been seriously curtailed by Parliament. The matters about which he complains—local government reorganisation, the closure of steelworks, a national bank for Wales—were central Government decisions made irrespective of local opposition!

I can appreciate that he is unable to obtain the detailed spending plans nf his local authority for the next three years. Government constraints make it impossible for local authorities to prepare such detailed plans. Government grants, capital allowances and cash limits imposed on local authorities are announced annually and often at such a late stage that the whole budget forecast has to be revised.

With regard to his inability to ohtain details of cnuncil resolutinns nr infnrmatinn on local authnrity plans, I find these statements surprising. Every ratepayer is provided with information regarding both county council and city council spending as is now required by Government legislation. Council minutes and budgets are available at council nffices and at public libraries. All city council committee and council meetings are publicised and the public is invited tn attend. How could there be less secrecy?

John Reynolds.
46, Richmond Road, Cardiff.

Elections

From the Labour Prospective Parliamentary Candidate, Birmingham (Northfield)

Sir,—Robin Pauley's article on local elections (May 8) singles out Birmingham (Northfield) where the Conservative candidates had a majority of 600 over Lahour. Too much, however, should not be made of this one election as in last year's county elections Labour had a majority in the constituency of 6,200 over Conservative.

The leader of the Labour group in Birmingham has correctly ascribed the Conservatives' recent success to the Falklands crisis and to public dislike of Mr Wedgwood Benn and the far Left. Together these enabled the SDP-Liberals to pick up some disenchanted Labour voters while failing to make much impact on the Conservatives. As the result has been the election of a reactionary Tory council it is unlikely the alliance will be able to repeat this performance.

The next election in Northfield will be fought on hasic economic issues, especially the dramatic trebling of unemployment from 5 tn 15 per cent. Mr Cadbury should not draw too much comfort from these results.

John F. Spellar.
115, London Lane, Bromley, Kent.

Insulation

From the Secretary, National Cavity Insulation Association

Sir,—The letter from the National Union of Puhlic Employees (May 11) questions the use nf urea formaldehyde in cavity wall insulation.

Fnrmaldehyde is not a new substance, having been used in medicine fnr nearly 100 years. It is found naturally in the body, in the atmosphere, and is increased by cooking by natural gas, new furnitore, open firea and even the baking of bread. It is used widely in industry and in the manufacture of such diverse items as antihintics, air fresheners, disinfectants, food (as a preservative), buhhle haths, mascara and tahleware.

The cavity foam industry has been established in the UK for 25 years. During this time some million and a half homes have been successfully insulated. Any real cause for concern would clearly have come to light many years ago.

The symptoms reported basically relate to the North American situation, and are due to a lack of experience and controls — the American cavity foam industry is still in its infancy, having only made significant progress in the past five years—and a different type of construction that allows formaldehyde to be drawn into the building.

The UK industry is far more advanced with research, product development, training and technical standards and controls. It is extremely rare for any smell to come into a building that has been foamed in accordance with the government - supported British Standard for foam. This covers buildings of standard double skin masonry construction, which encourage the formaldehyde, given off during the drying and curing process and normally occurring a short time after injection, to disperse quickly and naturally through the outer wall. It is very rare in this country for there to be any significant leakage into the building, but where this does occur it can be treated according to accepted remedial practice.

In such an instance a fairly noticeahle smell would be apparent for a short while, which might cause temporary irritation to the respiratnry tract, i.e. runny noses and eyes, consistent with the extremely low levels nf formaldehyde experienced in this country. We are not aware of any proven medical evidence of more serious symptoms in the U.K. It is also apparent that some of the symptoms alleged are psychosomatic, due tn the Press reporting of the totally different situation in America. Indeed, it is a great pity that scaremongerers, some uninformed and some deliberately malicious, have damaged a worthwhile and responsible energy conservation industry.

The general opinion in this country, which is supported by government, testing houses and the chemical industry, all taking a considered serious view, is that no real problem of fume emission exists with the use of u.f. foam in the U.K.

Gillian A. Allder
178/202 Great Portland St, W1

Duncan Campbell-Smith reports on a dramatic week for Britain's casino operators

How Trident's shares became a gamble

MR SANTO CALAIS is a Malaysian private businessman living just outside London whose hobby—as he describes it—is to keep a close eye on fast moving shares in the London stock market. He saw one around the turn of the year which had risen from 50p to 70p in eight weeks. He bought into the stock and saw its price reach 100p in March.

The stock was Trident Television, moving faster than most on the strength of a magnificent gamble. Its number came up this week—and arguments over the pay-out collected by Trident could cause a major upset, appropriately enough, in Britain's casino gaming industry.

Thousands of investors like Mr Calais moved in on Trident's shares after the company bought the London casino empire of Playboy Enterprises. Trident spent £14½m last December on the purchase, chiefly, of the Playboy, Clermont and Victoria casinos. All of them were at that time threatened with imminent closure by the courts.

Under Trident's adroit management, the odds against a successful salvage operation began to shorten. As they did so, the casinos' £18½m pre-tax profit performance in the financial year to June 1981 loomed ever larger in the stock market's view of Trident.

And this week, finally, it came before the South Westminster licensing justices to apply for its new licences—or, in the case of the Victoria, a licence renewal.

By Monday lunchtime, it was already clear that the stock market's confidence had been a little premature. In fact, a three-hour hearing on the Playboy application that morning left everyone confused.

Young men from the City queued for a telephone outside the court to report back to their broking and jobbing offices that the verdict would be announced after lunch—but they had little idea what it would be. Trident's shares hovered just above 80p.

Mr Calais sat in The Albert, a nearby public house, explaining to a Kuwaiti friend how he had already sold a third of his 33,000 Trident shares. Should he have sold the lot?

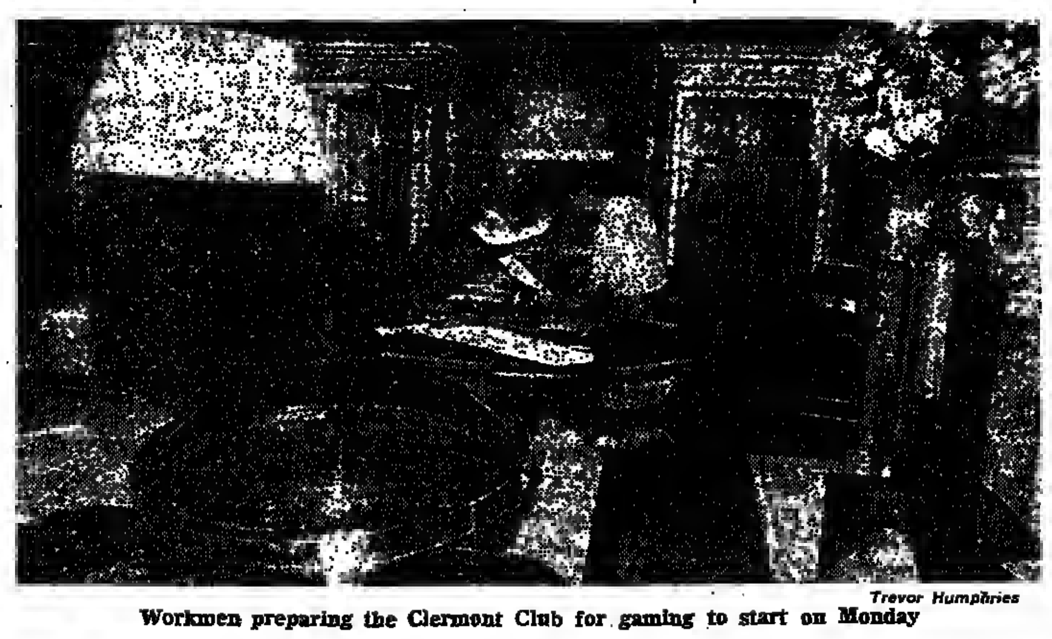
Most anxious of all, Trident's own executives paced the pavements awaiting a verdict which, absurdly, was now delayed an hour by a bomb scare. They had sought the guidance at every possible juncture of the Gaming Board, that public watchdog of the industry set up with six members under the 1968 Gaming Act to regulate every aspect of gambling.

The Board had granted Trident a certificate of consent to seek a licence for Playboy and had raised no objections to Trident at the hearing. Yet in the last moments of the hearing, counsel for the Board had spoken firmly to the justices about a lack of demand for new clubs—as measured simply by a statistical analysis of overall market capacity.

The verdict, when it came, astounded Trident.

The Playboy Club application was turned down on grounds of inadequate demand for additional gaming facilities. That had been feared and even half-expected in view of written advice to the justices from the Board on this matter.

But then the justices added that "on the evidence laid before us" there was also no reason to think Trident "a fit and proper person," in the terms of the Act, to run a casino. This did not imply that Trident was dishonest. The Act puts the onus on the applicant to prove its credentials in court: the justices must decide solely on the basis of what is said there.



Trevor Humphries

Workmen preparing the Clermont Club for gaming to start on Monday

In the year to last August, £930m was exchanged for gaming chips at some 125 casinos around the country

Mr Calais headed off to sell his shares. Many others did the same: Trident's stock dropped 18½p to 64p by the close. The company's directors retreated in a huddle to Victoria's St Ermin's Hotel and began their post-mortem.

The results of that post-mortem did not have to wait long before being put to the test. Trident concluded that it had rested too much on laurels earned by working closely with Gaming Board officials in the run up to the hearing.

Too little, again, had been said about what Trident believes to be the unique appeal of Playboy. Neither mistake was made on Thursday, when new justices on the same bench heard the Clermont Club's application.

The hearing lasted a full day. Trident's counsel changed its tactics: Trident's casino staff expounded at great length on the efficiency of their computerised cheque-cashing facilities and the evident iniquities of past practices in the industry; Trident's prospective customers sang the praises of the Clermont's unique style.

And the licence was granted. Trident's shares rallied 9p to 71p, buoyed up as well by the renewal—in a four minute hearing — of the Victoria's licence. The week's events had once again underlined the speed with which the fortunes of large companies can change in Britain's multi-million-pound casino industry.

In the year to last August, £930m was exchanged for gaming chips at some 125 casinos around the country. About 70 per cent of this was spent in the capital—£127.35 for every adult in Greater London —where there are presently 16 operating casinos.

The gross earnings of the casino industry in 1980-81 amounted to 19 per cent of their customers' expenditure (the "drop"). In 1980/81, the industry paid licence duty of £13.5m, corporation taxes of £25m and PAYE taxes of £20m.

Over the next two months, as every year at this time, all existing casinos must renew their licences before local justices, and aspiring operators must seek new licences.

The gaming industry is concerned with three main issues raised by the licensing process:

● The first is demand and how properly to measure it. The perception of demand is critical for new licence applicants and provides the final criterion for justices. The perception which undoubtedly counts most is that of the Gaming Board.

The Board makes 24 spot checks on every casino in the country over four November weekends, counting the attendance. It compares this with the total capacity, defined as the number of available tables multiplied by the number of players for which those tables were designed by their manufacturers. On this basis, advice is given to all justices as was the case for Trident this week.

London's total capacity for American roulette at any moment, for example, is deemed to be 1,000 people. The Board measured average usage last November at 599.3 with a peak usage of 709.

No one regards this system as perfect. Each year there are interminable disputes about it. The Gaming Board simply points out, however, that no one has yet devised a better alternative. Mr Dean Narayn, consultant to the British Casino Association, accepts this. "What we've always said, though, is that if you insist on using demand figures in the present way, each new applicant must be allowed to make his own case over demand before the justices," he said this week.

The Board does not quarrel with this but will stick to its guns where the advice to justices is seriously challenged. Some applicants will be beaten by the figures—as was Trident over the Playboy Club.

Others will overcome them with special pleading. Mr Max Kingsley, managing director of Mecca Sportsman, succeeded in doing so a week before the Playboy hearing and won an extra licence for his group, which will open a Hilton casino this autumn. The Clermont emulated his example, as others will hope to do in the next several weeks.

● The second issue is the role of the justices. Mr Gavin Lightman QC, one of Trident's counsel, criticised them sharply when giving evidence before the New Jersey Casino Control Commission in the U.S. in January.

"One has no idea on what basis they decided the (Playboy) case," said Mr Lightman, who had also acted for Playboy. "Indeed, the position is it is rather like having power without responsibility." Asked by the U.S. counsel about the justices' social standing, Mr Lightman replied: "I dread to think what they represent."

Not surprisingly, the South Westminster justices took grave exception to his remarks—and their clerk, Mr L. G. Bowerman, sent a letter to the New Jersey hearing via the secretary of the Gaming Board to express their dismay.

Nevertheless, many in the legal profession as well as the industry itself worry that the justices may not have the legal background to grapple easily with some of the complex judgments they are now called on to make.

● Third, there is the role of the Gaming Board itself. Thursday's justices found Trident "a fit and proper person" where Monday's could not. But the Board has worked with Trident since December. Mr Gwyn Ward Thomas, Trident's chairman, doubts the wisdom of a legal process so rigorously divided into two stages that months of work with the Board could stand or fall in a few hours in court.

The Board privately believes Trident approached the courts naively and questions some of the tactics it adopted. Officials defend the two stage process and emphasise the importance of the independence of each stage. New licence applicants do not have "their card marked in advance" by some elaborate system of nods and winks.

The process is clear, they say. The Board decides if an applicant "is likely to be capable of, and diligent in, securing the provisions" of the Gaming Act; the bench decides on fitness and propriety. And the process has worked, driving out Ladbrokes, Corals, Playboy Enterprises and others over the last few years.

This is precisely the point, though, that the Board's critics make themselves. "The industry in London is moving into new hands," says Mr Ward Thomas, "and I think they are hands with which the Board should feel more comfortable and able to achieve a good and useful rapport."

Instead, the Board keeps its distance and new applicants must make a move before it will jump. The result seems to be genuine confusion about the Board's role in the whole licensing process. As Trident's chairman himself said this week, "I don't understand why we have to play this cat and mouse game . . ."

Weekend Brief

Cricket points to watch this summer

It may sound strange but a current England player can expect to take part in at least six variations of the game this summer, all under different sponsors. In addition there are so many changes and alterations in county and international cricket—all made with the best of intentions, not always with the intended results—that even the expert, let alone the cricket lover who sees the occasional match, is apt to become a little confused.

It is worth noting that most games now start at 11 am, not 11.30, while a new ball does not become available in three day matches until after 100 overs. The intention is to promote more slow bowling, but unfortunately the lush green carpets to be found on the majority of grounds simply fail to remove the seam and the shine.

The cynic will chuckle on hearing that the counties have specifically undertaken not to prepare wickets for their own benefit, as this is a practice which has been going on, in varying degrees, from the outset of the game. The one certainty is that no club will try to prepare a wicket to suit the opposition and it will be odd, not to say unnatural, if counties with a good pace attack fail to provide lively pitches.

It has been obvious for a long time that too many overseas cricketers have been allowed on our county circuit and this has had an adverse effect on some of our own players. The TCCB, about 10 years too late have brought in legislation which will eventually limit the number of imports per county. What may puzzle people this year is that if Glamorgan include their captain, Miandad from Pakistan, they cannot also play their most penetrating bowler, Ezra Moseley from Barbados. However, Notts can pick Rice and Hadlee, Lancashire Clive Lloyd and Croft and Gloucestershire Sadiq, Zaheer and Shepherd, because they were all specially registered before November, 1978.

The counties which decided to take on an overseas cricketer really have two choices. They can sign an established world class cricketer, who will expect to receive between £9,000 and £22,000 for four months' work, or they can gamble on a young promising player, as Essex have always done, who will be satisfied with the same basic salary as the existing staff which will vary from county to county.

The majority of the overseas cricketers with county clubs come from the West Indies, as they have so many fine players and it also provides a speedy escape route from comparative poverty. The second reason also applies to some players from India and Pakistan where there is also no true professional cricket. The South African, denied the opportunity to play in tests, finds the England County scene provides him with a fresh and enjoyable challenge, while it gives the outstanding New Zealand cricketer the opportunity to earn good money doing what he enjoys and for what he receives nothing, or very little, at home. With increased sponsorship and television providing the revenue which had been missing from Australian cricket, as far as the players were concerned, the established Australian player is no longer attracted to professional cricket in England.

Eilat tries to get back to 'normal'

When Israel completed its withdrawal from the Sinai peninsula, it was particularly significant for the southern Israeli port and resort town of Eilat. Once again it becomes the southernmost part of Israel, the new border with Egypt starting just six miles down the coast.

When it was last like this, before the Israeli victory in the 1967 six day war, the town was the epitome of Hicksville. In fact it was where Tel Aviv police sent smalltime mobsters, not big enough to prosecute, whom they wanted out of the way.

For the past 15 years it has served as the gateway to Sinai, particularly the 140 miles of beautiful Red Sea coastline reaching down to Sharm el Sheikh, with many coves and beaches providing havens for sunbathers and skindivers. Now this reputation is in jeopardy.

Egypt does intend to set up a consulate in Eilat, probably for issuing short term visas for tourists making day trips into Egyptian territory. But it is unclear how smoothly this will work. Eilat, therefore, is having to sell itself once again on its own merits, and is being quietly bullish about it.

Despite its isolation, a four and a half hour bus journey from Tel Aviv or an hour's flight, the town has several plus points. It is surrounded by beautiful desert mountains and the sun shines throughout the year. (It is reckoned to rain only five days annually).

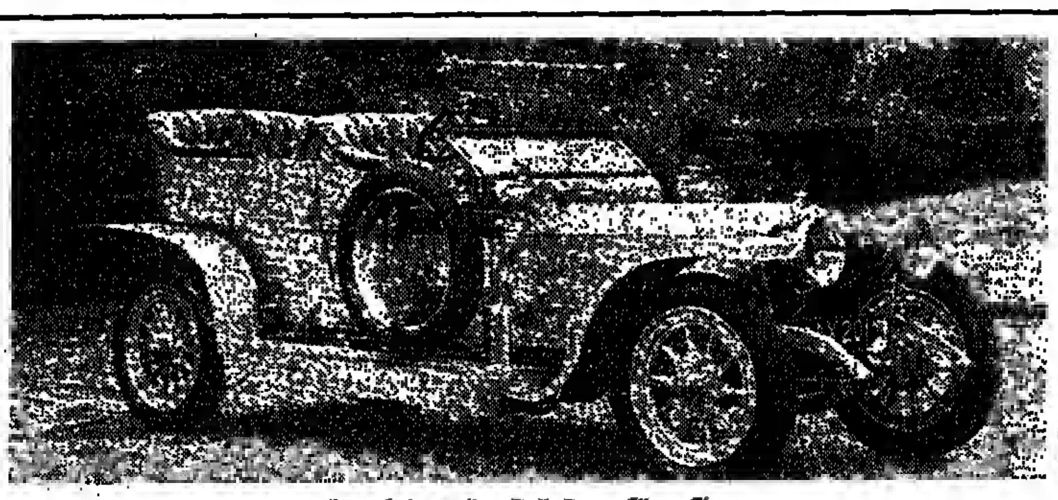
In addition, during the last few years a range of new hotels has been built, including half a dozen four star establishments. The first five star, a Sheraton, is due to open next year. Already there are more than 2,500 rooms available in the town, a figure due to increase by more than 100 per cent by 1987.

The town has a masterplan which calls for a theatre and shopping centre to be built on what is now the airstrip. It is hoped that a new airfield will be built about six miles to the north. Not only would this be larger, allowing for charters to land there direct from Europe, but it would also remove the hazard and noise inconvenience involved with aircraft landing in what is essentially the middle of the town.

Last year 30,000 people travelled from abroad to Eilat on charter flights. About 4,000 came from the UK, the bulk from Scandinavia and West Germany. Smaller charter aircraft land at Eilat itself. Larger aircarft land at a nearby air base and are brought by coach to Eilat for passport and customs procedures.

The figure for charter arrivals is due to rise to 80,000 by 1987. A poster campaign on London buses last winter proclaiming "Have another summer holiday this winter in Eilat." is said to have met with a good response, supporting this projection.

One major qualification to future prosperity is, of course, peace in the area. The Jordanian port of Aqaba lies a few hundred yards down the beach and ships waiting to unload are clearly visible. Saudi Arabia is about 10 miles away across the water.



One of the earliest Rolls-Royce Silver Ghosts

Love affair with an old motor car

Even allowing for a continuing if irrational, love affair with the motor car, there is probably only one exerting sufficient allure to draw a very large number of people indeed into throwing a party for it. About 600 owners of related models are doing just that. The Observer newspaper is even footing the bill.

The car is, of course, a Rolls-Royce; more precisely, the Silver Ghost. Next month sees the marking of its 75th anniversary.

The records show 8,173 as being built in the UK between 1906 and 1925. Less well known is that a further 1,703 of this most archetypally British car were built in the U.S. between 1921 and 1926 at Springfield, Mass, using mainly UK mechanical but U.S. bodywork.

But all, strictly speaking, are imposters.

The real McCoy consists of just one; chassis number 60551, believed to be the model which sent the hacks scrambling for superlatives when first glimpsed on the stand at the Olympia Motor Show in 1906. Claude Johnson, at the time a partner in the CS Rolls Company which with Henry Royce combined to produce the motor industry's most prestigious partnership, had a habit of giving pet names to cars and dubbed chassis 60551 the Silver Ghost. Not without reason. When she emerged as a completed car in 1907, the silver paintwork was complemented by silver plated fittings.

It was, however, just one of the "40-50" (40-50 horsepower) models being built. Not until 1925, when the New Phaeton was launched, were all the 40-50 models previously built retrospectively called Silver Ghosts in order to avoid confusion.

Since 1907 Silver Ghost has had a distinctive career. After setting records in that year's 2,000-mile Scottish Reliability Trial—followed by an unprecedented virtually non-stop 15,000-mile demonstration of its reliability, it was sold to A. M. Danbury, one of Rolls-Royce's travelling inspectors. He put 500,000 miles on it in the time between then and his heirs part-exchanging it for another Rolls in 1948. It was by then much the worst for wear. Rolls rebuilt it, and hardly surprisingly have not let it out of their sight. It is now a lovingly cared for publicity model, still in working order; still in use.

With typical reticence, Rolls-Royce says it must be one of the world's most valuable cars. It is almost certainly the most valuable. Rolls delicately suggests that if, perish the thought, it ever found its way to the auction room the hammer would descend on well into six figures.

It is in tribute to the machine that next month members of the Rolls-Royce Enthusiasts' Club will stage their beano. Cars from all over the UK will gather at nine centres to drive in convoy to Donington race track where formal celebrations will begin on June 25. On Saturday the 26th the cars will go to Rolls' Nightingale Road Works, then to Barton-under-Nedwood where they will go on show in aid of the Muscular Dystrophy Society. The final day, Sunday, will see up to 600 Rolls-Royces and Bentleys on display at Stamford Hall, near Loughborough.

The company points out that the event is strictly an enthusiasts' club affair. The company has its own plans—a repeat performance of the Ghost's 1907 reliability odyssey.

Running hard to make money

Sebastian Coe would love to run in the London Marathon, or, better still, a Sheffield marathon—but in a few years' time —and he hates swimming ("I am not very good at it. It seems to me it's for use only when drowning").

The slim, neat 25-year-old who holds the world record for running 800 metres and the mile, and who is the Olympic 1,500 metres champion, has been swimming as part of his training programme that was 3½ weeks behind on running work because there was a little matter of a foot injury to overcome.

He made these revelations at this week's launch of Running Free, written with sports journalist David Miller, in paperback by New English Library (£1.50). It is a revised and updated version of the hardback brought out by Sidgwick and Jackson last year. Now it includes his eventful 1981 season, in which he improved his 1979 world 800 metres record at Florence, his 1,000 world record of 1980 in the same Bislet stadium, Oslo, and recaptured Steve Ovett's 1,500 metres record in Zurich, lost it to him seven days later at Koblenz in the afternoon, but snatched it back the same evening in Brussels.

First print of the paperback Running Free was 60,000, the second print is well under way, and every time the sprightly Seb hits the headlines this season could mean an extra print.

Britain's favourite sportsman, the well-groomed-all-over-in all-ways-mothers'-and-fathers'-boy—and the first athlete to address an International Olympic Committee meeting—has a steely resolve to make the European championships 800 metres in August the centrepiece of his season.

The world's fastest over the distance since July 1979, he knows he owes himself, his coach (father Peter, to whom the book is dedicated) and his supporters (who are legion!) a gold at the distance. In the Prague European championships in 1978 he was third behind the East German Olaf Beyer, of whom little was heard since, and Ovett. And, of course, as even non-athletics fans know, Coe blew the 1980 Moscow Olympics 800 final against Ovett before gaining revenge in the 1500. So he has to prove at the highest level in what many athletics experts consider the hardest race of all—the longest sprint, rather than the shortest middle-distance event—that he can beat the top men in a competitive, tactical and tough race, rather than the clock.

Coe opens his competitive season tomorrow in the Yorkshire 1500 metre championships, then, concluding his Bordeaux training sojourn with a 2,000-metre race there at a June 5 meeting promoted by Michel Jazy, who held the world mile record in 1965-66. Then come two of his three big clashes with Ovett, the European championships, and a mile against Ovett in Eugene, Oregon.

He believes—and it would be a brave person who took a different view—that he is capable of improvement in performance over the next two summers, and by that we must assume the distances for which he is already the world's fastest. But from next summer, the 5,000 metres will be his priority, and his premier target for the Los Angeles Olympics in 1984.

There is a view, strongly held, that in achievement, star quality, dedication, and example, Sebastian Coe is the equal, if not the superior, of such as Diego Maradona, Kevin Keegan, John McEnroe, Bjorn Borg and Jack Nicklaus. And how many can name the world heavyweight boxing champion, either version?

Contributors

Trevor Bailey
Simon Henderson
John Griffiths
James French

Economic Diary

MONDAY: President Francois Mitterrand of France holds talks with Mrs Margaret Thatcher, London. April provisional figures for retail sales. EEC Agriculture Ministers to take final decision on farm prices, Brussels. EEC Finance Ministers informal meeting Brussels. Institute of Professional Civil Servants conference opens, Bournemouth (to May 20). National Union of Seamen conference opens, Tenby (to May 21). Association of Professional, Clerical and Computer Staff conference opens, Blackpool (to May 18). Police Federation conference opens, Scarborough (to May 20). Electricity supply workers discuss pay offer.

TUESDAY: March provisional index of industrial production. ASLEF conference opens, London. Commons Select Committee on Energy publishes report on depletion of North Sea Oil. Sir Geoffrey Howe, Chancellor of the Exchequer, speaks at Building Societies Association dinner, Hilton Hotel.

WEDNESDAY: March indices of average earnings. April indices of basic rates of wages.

THURSDAY: Opec Ministers meet on prices and supplies, Quito. Preliminary first-quarter estimate of gross domestic product based on output data. First quarter provisional capital expenditure by the manufacturing, distributive and service industries. First quarter provisional manufacturers' and distributors stocks. Mid-April UK banks' assets and liabilities and the money stock. Mid-April London dollar and sterling certificates of deposit.

FRIDAY: April figures for—retail prices index; tax and price index; and cyclical indicators for the UK economy. Finished steel consumption and stock changes (first quarter—provisional).

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'po shares %	*Term shares %
Abbey National	8.50	8.75	10.00	10.75 6 years sixty plus. 10.25 1 year high option, 9.25-10.75 1-5 years open bondshares
Aid to Thrift	9.55	9.80	—	—
Alliance	8.50	8.75	10.00	10.75 5 y., 10.25 4 y., 10.25 £500 min. 2 m. not. or £100+60 d. int. pen.
Anglia	8.50	8.75	10.00	11.00 6 years; 10.75 3 years; 10.25 1 month's notice all interest loss
Bradford and Bingley	8.25	8.75	10.00	9.75 1 month's notice
Bridgwater	8.50	8.75	10.25	10.75 5 years, 9.85 2½ years
Bristol Economic	8.50	8.75	10.00	9.50 3 months' notice and 9.75 on balances of £10,000 and over. Escalator shs. 9.25-10.75 (1-5 y.)
Britannia	8.50	8.75	10.00	10.25 4 yrs., 10.00 2 months' notice
Burnley	8.50	8.75	10.00	10.75 5 yrs., 3 mth. not.; 9.75 1 m. not.
Cardiff	8.50	‡9.25	10.25	9.50 on bal.: £3,000-10,000; ‡ to £3,000
Cardiff	—	10.00	—	— £10,000 and over
Catholic	10.00	9.00	10.00	9.25 on share balances of £5,001+
Chelsea	8.50	8.75	10.00	11.00 3 yrs., 90 dys' not. on amt. wdn.
Cheltenham and Gloucester	8.50	8.75	10.00	—
Cheltenham and Gloucester	—	9.75	—	— Gold Account. Savings of £1,000 or more (8.75 otherwise)
Citizens Regency	—	10.00	11.25	12.00 5 yrs., 11.05 3 mths.' notice a/c, 11.30 6 mths.' notice a/c
City of London (The)	8.75	9.10	10.25	10.25 Capital City shs. 4 mths.' notice
Coventry Economic	8.50	8.75	10.25	10.50 4 yrs., 10.25 3 yrs., 10.00 3 mths.
Derbyshire	8.50	8.75	10.00	9.25-9.85 (3 months' notice)
Ealing and Acton	8.50	9.25	—	9.90 2 yrs., £2,000 min.
Gateway	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Gateway	—	9.75	—	— Plus a/c £500 min. Int. ½-yearly
Greenwich	—	8.85	10.10	10.85 5 yrs., 10.10 3 months' notice
Guardian	8.50	9.00	—	10.75 6 mth., 10.25 3 mth., £1,000 min.
Halifax	8.50	8.75	10.00	10.75 5 yrs., 3 mths.' wdl. notice
Heart of England	8.50	8.75	10.00	— 3 mths.' notice 9.75 5 yrs. 10.75
Hearts of Oak and Enfield	8.50	9.00	10.50	10.75 5 yrs., 10.25 6 mth., 10.00 4 mth.
Hendon	9.00	9.75	—	10.50 6 mths., 10.25 3 mths.
Lambeth	8.50	9.00	10.50	11.00 5 yrs., 10.75 6 months' notice
Leamington Spa	8.60	8.85	11.93	10.35 1 year
Leeds and Holbeck	8.50	8.75	10.50	10.75 5 yrs., 9.75 1 mth. int. penalty
Leeds Permanent	8.50	8.75	10.00	10.75 3 yrs., E.I. a/c £500 min. 9.75
Leicester	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 mths.
Liverpool	8.50	8.75	10.05	9.75 min 1,000, 3 yrs.
London Grosvenor	8.00	9.25	11.00	9.75 3 mths.' notice 1 mth. int. pen.
Mornington	9.30	9.80	—	—
National Counties	8.75	9.05	10.05	9.75 35 days' notice min. dep. £500, 10.15 6 mths.' min. dep. £500
Nationwide	8.50	8.75	10.00	10.75 5 yrs., £500 min. 90 days' notice. Bonus a/c 9.75 £1,000 min., 28 days' notice
Newcastle	8.50	8.75	10.00	10.75 4 yrs., 9.75 2 mths.' notice, or on demand 28 days' int. penalty
New Cross	9.50	9.75	—	9.75-10.50 on share accs., depending on min. balance over 6 months
Northern Rock	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75 3 yrs., 10.50 2 yrs.
Paddington	8.25	9.25	10.75	10.25 Loss 1 month int. on sums wdn.
Peckham Mutual	8.50	9.50	—	10.00 2 y., 10.5 3 y., 11.0 4 y., 9.75 Bns.
Portsmouth	8.85	9.05	10.55	11.10 (5 yrs.) to 10.50 (6 mths.)
Property Owners	9.75	10.25	11.75	11.75 4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	8.50	8.75	10.00	10.75 3 yrs., 9.75 1 month
Skipton	8.50	8.75	10.00	9.85-10.00 28 days' interest penalty
Sussex County	8.75	9.00	11.25	10.00 2 yrs. (early withdrawal option)
Sussex Mutual	8.75	9.25	10.75	9.50-10.75 all with special options
Town and Country	8.50	8.75	10.00	11.00 5 yr., 10.75 3 yr. 60 d. wdl. not., 10 2 mth. not./28 days' int. loss
Wessex	8.75	9.80	—	—
Woolwich	8.50	8.75	10.00	10.75 90 days (int. loss), 9.75 immed. access (int. loss) or 28 dys.' not.
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	8.50	8.75	10.00	10.25 5 yrs., 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs., 10.00 Golden key 28 days' penalty interest

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Interest charges trim Grand Met gain to 10%

AT THE trading level, profits of Grand Metropolitan showed a significant increase of some 30 per cent for the half year to March 31, 1982. But with interest charges rising, the pre-tax figures were up 10 per cent from £68m to £74.8m. External sales reached £1.83bn, against £1.5bn last time.

Sir Maxwell Joseph, the chairman, points out that the greater part of the group's profits tends to be earned in the second six months, while interest costs accrue more evenly throughout the year. Interest rates have remained high and, in the circumstances, the half-year result is regarded as satisfactory.

The group is well placed to take advantage of any upturn in economic conditions and the chairman is confident that it will continue to make progress.

The net interim dividend is being stepped up from 3.175p to 3.5p per 50p share — the previous year's total payment was 7.425p on record taxable profits of £186.6m.

Sir Maxwell says the increase in trading profits—from £111.9m to £146.1m — was achieved despite continuing weakness in the economies of the UK and the U.S. The increase in interest costs — from £43.9m to £71.3m —was mainly attributable to the acquisition of Inter-Continental and to a lesser extent to the increased sterling cost of interest payable in U.S. dollars.

A breakdown of the six months trading profits shows:—brewing and retailing £32.5m (£24.9m); hotels and catering £4.1m (£5.3m); Inter-Continental (acquired September, 1981 £7.4m (nil); leisure £11.8m (£13.4m); Liggett £42.0m (£31.5m); milk and foods £15.5m (£15m); spirits and wines £32.6m (£21.8m).

The effect of depressed levels of consumer spending on many of the group's domestic UK operations was compounded by bad weather in December and January. Brewing and retailing, benefiting from steps taken in recent years to improve efficiency, was alone in this area of group activity in substantially raising profits.

In the U.S., most of the group's operations stood up well to the pressures of the recession and, even without the beneficial effect of translation into sterling at the lower exchange rates ruling in the current year, Liggett's trading profits would have shown a substantial improvement.

On the international front, the recent emphasis on the worldwide development of spirits and wines showed through in the form of a sharp increase in profits.

Profits attributable to ordinary holders, before extraordinary items, advanced from £49.3m to £52.9m for the period. Stated earnings per 50p share rose by 0.5p to 10.1p.

Tax charge was £19.4m (£17.2m) including overseas tax of £16.8m (£11.6m). Minority debits accounted for £2.3m (£1.3m) and preference dividends again absorbed £0.2m. The interim dividend will cost £18.3m (£16.5m).

It is estimated that there will be a net charge for extraordinary items of some £5.6m (£0.7m) for the half year.

See Lex

Mettoy reduces losses

TOY manufacturer Mettoy reduced its pre-tax losses from £3.48m to £2.74m in 1981. No dividend is being paid *against* a nominal 0.1p in the previous year. Turnover improved from £25.75m to £28.17m, and the trading loss was lower at £931,000 compared with £1.25m.

The pre-tax *loss* was *struck* after an exceptional debit of £344,000 (£660,000) and interest charges up from £1.56m to £1.59m, but included associates' profits of £115,000 (£11,000).

There were tax *credits* of £71,000, but these were well down on the previous year's £453,000. The stated loss per share was 16.5p (18.7p). On a CCA basis, the pre-tax loss was £3.78m (£4.51m).

● comment

Those faint rays of hope which seemed to be penetrating the gloom when Mettoy pushed out its interim statement soon disappeared. Retailers held back in the last quarter and losses in the closing period have come out little different to the comparable months. Shareholders' funds are now down to around £9m while borrowings are certainly higher than the £7.2m of a year ago. Mettoy is at the point where asset disposals are needed. The last accounts showed land and buildings at a January 1980 valuation worth £4.6m within total fixed assets of £7.7m. Even a fairly major disposal is not going to sort out *Mettoy's* problems *for good.* Asset sales could buy time but what the company needs is a sustained upswing in the market. And that seems unlikely in the near term. The shares have *fallen* to 10p this *year*—15p below par value—where the market capitalisation is under £2m.

Upturn expected at Geers Gross

PRE-TAX PROFITS at Geers Gross were slightly lower at £1.02m in 1981 compared with the previous record of £1.14m. The directors say the downturn was largely due to lower margins in London, but this situation has already been reversed.

Turnover of this advertising agent and consultant climbed from £46.29m to £53.31m, and trading profits were lower at £1.12m against £1.3m. The final dividend is cut from 2.5p to 2p, but the total is unchanged at 4p. A one-for-four scrip issue is proposed.

Mr Charles Hoare, the chairman, says he considers the results to be satisfactory overall. The increased results achieved already in the first quarter of the current year demonstrate that the group is now set for considerable growth in 1982, he says.

In the last few months of 1981, four major new businesses were acquired—the large English Country Cheese Council account, Silentnight beds, three divisions of BP Oil, and from United Rum Merchants, Lemon Hart Rum, Codorniu Wines and Grand Marnier.

Since then, a further major account, Anglian Windows, has been added and first quarter trading in London is over 30 per cent ahead of the same period last year.

In New York, the year's gains included the large Sambo *national restaurant* account, Light 'n' Lively yoghurt, an important piece of additional business from Kraft, and the prestigious W & J Sloane furniture store account. There was *also continuing growth* from a number of existing accounts in the U.S.

Mr Hoare says current trading at Geers Gross Inc remains strong and, despite economic recession, U.S. advertising spending overall is expected to show a further 20 per cent rise in 1982.

Geers Gross' group prospects, already strong for the current year, have been considerably strengthened by the acquisitions of Kurtz and Tarlow, announced in March. There is every sign that the agency will prove to be a very valuable addition to the group says Mr Hoare.

He adds that the recommended bonus issue is an indication of the board's confidence and optimism, and he believes that in the current year both billings and profits will be considerably above previous levels.

Year-end pre-tax figures were after interest charges of £101,000 (£164,000). Tax was down from £428,000 to £394,000, and after extraordinary debits of £7,000 (£69,000) and dividends of £332,000 (£285,000), retained profits emerged £70,000 lower at £283,000. Stated earnings per 10p share were 8.1p (10.9p) basic, and 7.6p (10.5p) fully diluted.

● comment

In the light of the recent figures from Saatchi and Saatchi, Geers Gross' results look pedestrian indeed. But the company had indicated a flat year at the time of the interim report and the shares rose 8p to 142p yesterday. One of the biggest blows to GG was the loss of the Cadbury Schweppes account — that was worth around £450,000 of income a year. Also the decline in cigarette consumption, perhaps as much as 15 per cent in the UK last year, washed back to GG through its W D and H O Wills account. On the plus *side the U.S. operation* is building up with the split roughly 50:50 in 1981 compared to a UK bias in 1980. And U.S. profits were converted at $2.02 for last year against $2.29, so there was a little extra help on conversion. Yet, if last year's performance was unexciting GG is already hinting at some very good figures for the current twelve months and of course Kurtz and Tarlow will be in for the first time. The U.S. should contribute two-thirds of profits this year. A fully taxed p/e of 24 and yield of 4 per cent is the usual glamorous rating.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Plant		0.1	—	1.05	0.1	1.89
Caparo Inds		0.5	July 16	Nil	1	Nil
Cramphorn‡	int.	5	—	6	—	16.5
Geers Gross		2	July 9	2.5	4	4
M. J. Gleeson	int.	1.1	July 2	1	—	2.85
Grand Metropolitan	int.	3.5	Oct 4	3.18	—	7.43
Lloyds and Scottish	int.	1.87§	Aug 2	—	—	5.67
Mettoy		Nil	—	0.1	Nil	0.1
Warnford Invest.		6.5	—	5.5	12	10

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Company correction.

BIDS AND DEALS

Suitors line up for Woodrow Wyatt

SEVERAL PARTIES interested in acquiring Woodrow Wyatt Holdings, the printing group headed by Mr Woodrow Wyatt which went into receivership on Thursday, have been in contact with Stoy Hayward, the appointed receivers.

Mr Robert Maxwell, the chairman of British Printing and Communications Corporation, the first person to begin talks about a possible rescue, spent part of the day talking to union representatives about the situation.

But a consortium put together by a print broking company which is afraid of Mr Maxwell's increased presence in the UK print industry, also contacted the receiver over a possible take over.

The consortium consists of Robert Hart Associates, a print broking company based in London, Lewis and Tucker, a West End property agency, Charles Display, a printing and packaging company and a fourth unnamed company. Robert Hart is worried that its print broking business would be adversely *affected by Mr Maxwell* taking control of a larger section of the industry. Hart places between £10m and £11m orders of print each year.

The consortium said it had been looking at Woodrow Wyatt Holdings with a view to take over for the past three weeks. It plans to meet Woodrow Wyatt Holdings directors and the receiver on Monday, at the company's Banbury factory.

Mr Alfred Davies and Mr Peter Copp of Stoy Hayward have been appointed joint receivers by Barclays Bank. Mr Copp is presently in the U.S. but Mr Davies is preparing a report on the company's activities.

He said that business at the two factories at Banbury and Acton, West London, would continue as normal at the moment. Woodrow Wyatt Holdings employs some 250 people. Mr Davies said he had been contacted by several people he regarded as making serious enquiries about the company.

The suspension share price of 7½p places a value of £310,000 on the company. Earlier this year it reported losses for the six months to September 1981 of £596,040.

Mr Maxwell's representative will be looking at the Banbury plant on Monday.

● The Lonsdale Universal board is considering the company's position following Mr Maxwell's £5.9m offer for the *office equipment, stationery* and printing group. The directors said that they anticipated making an announcement next week and advised shareholders to take no action on Mr Maxwell's offer.

BPC raised its stake in Lonsdale to 10.92 per cent yesterday when it bought 25,000 Lonsdale shares at 64p each. BPC's shareholding is now 980,000 *ordinary* shares.

Caparo makes £0.42m for year

A PRE-TAX profit of £419,000 is reported by Caparo Industries, the engineering, metals and industrial services group, for 1981. There was a £350,000 loss for the previous 12 months. Reflecting some continued trading recovery and lower interest charges, an increase in profitability is anticipated for the current year.

The group's results for 1981 incorporate those of the Central *Manufacturing and Trading* Group (CMT) for the nine months from April 1 1981, on which date it was effectively acquired. Comparative figures exclude CMT and are for the *former LK Industrial Investments* Group only.

At half-way, the group turned in a taxable surplus of £155,000 (£22,768 loss). The directors said then that they expected trading results for the remaining six months of the year to show a better rate of profitability than in the first period.

In line with expectations, a final dividend of 0.5p net per share is recommended, making a total for the year of 1p. There were no ordinary payments in 1980. Stated earnings per 25p share were 5.28p (10.33p loss).

Turnover for 1981 totalled £38.49m (£4.02m) and trading profits came to £1.2m (£73,000). Interest charges, however, took £947,000 (£138,000), while investment income and associate's share added £151,000 and £13,000 respectively this time.

Tax credit, were £1.15m (£61,000), extraordinary debits took £60,000 (£103,000) and after dividends *of* £377,000 (£1,000) retained earnings came to £1.14m (£393,000 deficit).

Most of the CMT companies have continued to improve their profitability as anticipated at *the interim stage. The* industrial services side has, however, continued to meet difficult market conditions, particularly in those areas related to the construction industry.

The cost of acquiring CMT was approximately £14.5m compared with its net assets of around £20.8m, as shown in its last published balance-sheet. As a result of the appraisal of GMT's underlying net assets and its reorganisation, a total of some £2.7m has been written off its reserves at the date of acquisition.

The group has a 21 per cent investment in Ductile Steels, for which Glynwed has announced an agreed bid. Caparo is awaiting formal offer documents before deciding on its attitude to this offer.

● comment

Caparo continued the savage surgery already going on at CMT at the time of the takeover in *March last year. This* involved the closing of a number of its industrial services depots distributing industrial materials and concentration of business in the remaining units. The property released together with the GMT headquarters was sold at a loss in a *depressed* industrial property climate. Two of the four small subsidiaries of the former LK group were also sold, leaving Caparo comprising little more than CMT. The expectation of reducing interest costs is based on *the* prospect of lower rates and an improved cash flow later in the year. But the major factor will be reduction of the debt, now standing at £9.5m, by property sales and, most significantly, sale of the 20 per cent stake in Ductile Steel gained in a "dawn raid" last August. Ductile is now the subject of a £20.6m bid from Glynwed which values Caparo's holding at around £4m. Overall these steps would just about halve the debt. *Elsewhere margins should* benefit from the cost-cutting but, though trading is better, it has a long way to recovery if profits are to reach anything like the £3.7m pre-tax level seen at CMT three years ago. Yesterday the shares remained unchanged at 28p.

Warner Estate improves

FIRST-HALF pre-tax profits of Warner Estate Holdings rose from £835,000 to £991,000 and the company is stepping up its net interim dividend by 0.5p to 3.5p per 25p share—a final of 5p was paid for 1980-81 from taxable profits of £1.75m.

Turnover for the six months to March 30 1982 edged ahead to £3.52m compared with £3.45m previously.

Tax took £505,000, against £438,000 and minorities accounted for £1,500 *(£873,000).*

Stated earnings per share improved from 3.41p to 4.28p.

To comply with the recent accounting standard relating to treatment of investment properties, no charge for depreciation has been included in the results in respect of such properties owned by this investment property group.

Steady progress at Ellerman Lines

AN INCREASE from £1.83m to £2.56m in pre-tax profits is reported by Ellerman Lines for 1981. The group, which has interests in shipping, brewing, transport, forwarding, travel and leisure, *increased* its turnover from £210.4m to £216.9m.

Sir David Scott, the new chairman, says the increase in profits represents an underlying improvement in trading performance, helped by a substantial reduction of the losses of the travel division, and improved profits at Tolly Cobbold Breweries and from the group's *South African subsidiary.* Shipping profits and those of Northeast brewers, J. W. Cameron, were down.

The final dividend is hoisted from 5.56p to 9.78p for a total up from 7.81p to 12.28p. Ellerman Lines is a "close" company.

Sir David says 1982 will be difficult. Shipping continues to be *very* competitive and there are few signs as yet of any improvement in brewing. On current performance he says the group will do well to better its 1981 results in the current year.

The group's shipping activities, apart from experiencing exceptionally difficult trading conditions, were badly hit by the seamen's strike and by prolonged industrial unrest at Southampton.

Group trading profit for the year increased by £3m to £4.6m. There were exceptional debits of £1.55m, comprising £1.05m (£358,000) on the loss on sale of ships and redundancy costs of £494,000. Last year there was a release of £1.04m being the provision against *income arising* from a joint venture.

Finance charges were down from £7m to £5m. Profit after finance charges and tax was £1.6m against £1m. There was an extraordinary credit of £976,000 (£2.16m debit), and this included £2.55m being the settlement of a dispute. In the previous year charges of £6.47m arose from the rejection of a new ship.

There were also losses of £750,000 (£467,000) on the disposal of leisure interests, *rationalisation,* redundancy and closure costs came to £362,000 (£5.5m); there was a loss this time of £460,000 on the sale of a subsidiary, but last year there was a profit of £6.88m on the sale of property and £1.39m being the release of deferred tax of a subsidiary acquired during the year.

Guinness Peat proposals

DISCUSSIONS were continuing yesterday at Guinness Peat, the troubled commodities and banking group, over the disposal of the commodity division in a management buy-out.

Mr David Burt, speaking on behalf of the management of the commodity division, stated that the management was enthusiastic about the current *proposals.* It was working closely together to put forward a proposal which will be acceptable to the Guinness Peat and to the investors.

The management, together with other investors, including Lord Kissin, the group's founder and former chairman, *has* expressed interest in forming a consortium to buy control of the commodity trading interests on *terms* based on *net asset worth* on April 30.

Attwoods ups forecast

Attwoods, the former British Car Auction subsidiary, which resumed its Stock Exchange listing last month, yesterday announced a pre-tax profits forecast of £345,000 for the year ending July 31 1982.

Attwoods said that trading and profits of the Drinkwater Group had been higher than previously forecast. An earlier pre-tax profits forecast had suggested £240,000. Attwood said that it continued to place emphasis on Drinkwater's expansion and potential acquisitions in the sand and *gravel extraction* and waste disposal sectors were being considered.

The company said yesterday that it had sold Consolidated Papers Convertors, a wholly owned subsidiary, for £8,000. CPC made a trading loss of £39,000 in the year ending September 30 1981.

Attwoods also sold the plant, stock and business of Maybank Insulation for £48,000. The Maybank head office *will be sold* later. Maybank made a trading loss of £286,000 in the year ending September 30 1981.

British Car Auction said yesterday it had acquired a *further 867,248 shares in Attwoods* bringing its total stake to 36.5 per cent of the company.

Record Finlas profit

A RECORD pre-tax profit of *£2.24m was recorded by Finlas* for the year to January 31 1982, against £1.6m for the previous year. Group turnover was up from £19.79m to £21.62m.

There will be no final dividend. Earnings per share were given as 28.1p compared with 20.8p. A scrip issue is proposed of six new convertible preference shares of £1 each for every 100 existing ordinary shares of 25p each in issue.

Tax took £389,000 (£195,000). An extraordinary debit of £180,000 (£260,000) was the costs relating to the demerger of the printing and publishing interests and to the proposed flotation on the Unlisted Securities Market.

British Printing and Communications Corporation on Thursday said it was buying the assets of *Finlas Printing and Publishing* from the receivers. The failure of this new company is "a considerable disappointment to us all," says Mr M. F. Sanderson, Finlas chairman.

He said all sectors of Finlas had achieved "highly creditable results in a particularly difficult climate."

Pre-tax profits by division came from: housing £1.14m *(£1.51m);* building contracting and plant hire, £1.27m (£1.05m); property development and dealing, £846,000 (£643,000); property investment income, £268,000 (£106,000). Central overheads took £535,000 (£584,000) and interest £754,000 (£686,000). Printing and publishing lost £443,000 the previous year.

Advance for Border & Southern

Revenue, before tax, of the Border & Southern Stockholders Trust advanced from £2.16m to £2.63m for the half-year to March 31 1982.

The figure was struck after expenses and interest of £207,000 (£214,000), but before tax of £1.02m *(£766,000).*

Net asset value per 10p ordinary share was 110.1p (107.9p at September 30 1981) after prior charges at par, and 111.4p (109.3p) after these charges at market value.

An interim dividend of 1.3p (1.25p) net per share has already been declared.

Warnford Inv. up to £3.3m

PRE-TAX profit at Warnford Investments climbed 42 per cent in 1981, from £2.39m to £3.31m, on turnover up from £3.4m to 8m.

A final dividend of 6.5p net per share (5.5p) lifts the total for this close company to 12p (10p). Earnings per 20p share were given as 23.8p (12.21p).

Tax took £973,000 for the UK group (£1.11m), £22,000 for associated companies (£23,000) and £32,000 overseas (£19,000). The tax charge has been reduced by £614,680 as a result of industrial building allowances.

APG slides to £44,000

TAXABLE profit at Allied Plant Group dropped sharply from £1m to £44,000 in 1981, on turnover slightly up from £12.43m to £12.97m. Profit at mid-year was £252,000.

The profits were calculated after depreciation of £462,000 (£493,000), provision for bad and doubtful debts of £85,000 (£29,000) and financial charges of £683,000 (£659,000), but including exceptional profit on contract, nil (£100,000).

A nominal final dividend of 0.1p net per share (1.05p) is being paid to retain trustee status. The interim was omitted. The 1980 total was 1.89p. Stated earnings per 10p share were 0.013p (6.38p). A one-for-two scrip issue is proposed.

Operating profit was lower at £1.27m (£2.09m). Tax took £17,000 (£7,000) and there was *an extraordinary* debit of £1m (nil).

Mr M. R. Heathcote, chairman, says the general uncertainty in industry makes it hard to predict the trading outcome for the year, but it appears that re-organisation and consolidation have put all the group's companies in a better position to take advantage of any sustained upturn in the economy.

Results were hit by the start-up costs on the group's new structural plant last year, which has earned no profit.

Mr Heathcote says profitable *operation* of the structural steel business depends on a good order book, which, since the year-end, has continued to grow.

"It is also encouraging to note that inquiries are running at a higher level and there is no significant improvement of the conversion rate into orders."

The group's main activities are plant hire, housing and industrial land development, structural steel engineering, heating, ventilation and plumbing and manufacturing joinery.

MINING NEWS

International round-up

Deposits of chrome ore have been discovered in the mountainous region of Fujairah, about 200 miles east of Abu Dhabi, according to news agency reports.

The reports suggest that the quantity discovered so far could be exploited commercially.

The metal is used principally in the aircraft and motor industries.

* * *

Canada's Kerr Addison Mines recently joined an elite group of gold producers in north America, becoming the fifth single mine to produce 10m ounces of gold.

The mine, which has been in operation since 1938, has probably only about two years life left, as ore reserves are rapidly being depleted.

The other gold mines to reach the milestone are Homestake, Dome, Hollinger and McIntyre.

* * *

The Canadian owned and managed Pinson *open-cast* gold mine in Nevada, U.S., which came into production just over a year ago, has already moved out of debt.

The operators have already repaid a U.S.$15.8m *(£8.6m) project* loan, plus several million dollars in interest.

The mine is owned by Rayrock Resources, Lacana Mining and United Siscoe Mines, each with 26.5 per cent, with the remainder of the equity in the hands of the geological and engineering staff associated with the project.

Results due next week

The oil glut and falling petroleum product prices with which the year began can have done little to help Royal Dutch/Shell's first-quarter results—to be published on Wednesday. *Recent factors* including international political unrest and Opec production cutbacks, leading to slightly firmer crude oil prices, will have come too late. Following the 19 per cent downturn in after tax income in 1981 the company was no more confident than to point to the strength of its balance sheet. Since profits and currency movements are expected to have little impact this time. The actual results will be confused by the first-time application of the new U.S. accounting standard FAS 52, in place of FAS 8, which excludes the *effects of currency fluctuations* on income. The market is looking for around £400m on an unadjusted basis, compared with an unadjusted £541m last time, when stock gains amounted to £285m, but the uncertainties leave the range wide.

Unilever, reporting first-quarter figures on Monday, is expected to have lost much of the momentum which took pre-tax profits ahead 24 per cent to £709m in 1981. Only modest growth is expected in the first two quarters with its strong growth markets outside the U.S. and Europe, beginning to feel the pinch because of the weakness in oil and commodity prices. Some improvement may start to come through in the U.S. performance despite the recession there and in Europe, but any real advance is not foreseen until the second half. This leaves the market looking for little more than the £161m pre-tax at three months last year which included an extra week.

Very poor first quarter figures from Union *Carbide* have prompted some doubts about the U.S. performance of BOC which reports half-year figures on Monday. This has caused the market to shade its expectations following the 50 per cent pre-tax advance to £21m at three months. However, the U.S. subsidiary Airco has demonstrated a resilience in the past and the strength of the dollar may ease any decline here. Overall the analysts are, therefore, looking for a 17 to 20 per cent improvement over the £33.4m midterm last time — indicating around £40m, but some go as high as £45m.

Great things are not expected of Debenhams, which reports full year figures on Friday. The market is looking for a pre-tax figure of between £18m and £20m, against £25m last year. *Excluding* property gains, analysts expect the "clean" profits to fall between £13m and £16m. As at House of Fraser, the bulk of Debenhams' business crops up around Christmas time and last *Christmas* was just no fun. Debenhams' long-term strategy — to up-date its product lines and attack the competition from the multiples — may reap little rewards in the present *recessionary* environment but holds out some future hope for Debenhams bulls. After UDS's surprising attack on its dividend, analysts are chary about firm payout forecasts. Most believe, however, that Debenhams will maintain last year's 6.36p net.

Whitbread, reporting its figures for the year to February 28 1982 on Monday, produced no surprises with its 8.5 per cent mid-year profits increase — almost entirely attributable to lower interest charges. Since then there has been little to brighten second half trading with poor business in public houses, but there has been some pick up in take home sales. In a shrinking beer market the group's experience is likely to have been worse than that of the industry as a whole. There may be some gains on property development but the company will be hard pressed to maintain the midterm advance, with forecasts ranging around £71m — and some as low as £68m — against £66.4m last year. There are hopes for a small lift in dividend.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Advance Services	Wednesday	0.7	2.3	1.0
Alpine Holdings	Tuesday	2.275	2.975	2.275
Ambrose Investment Trust	Wednesday	2.8	4.3	2.6
Bardsey	Monday	—	—	—
Benlox Holdings	Friday	—	0.5	—
Bishopsgate Trust	Monday	1.16667	2.1667	1.2
British Borneo Petroleum Syndicate	Tuesday	4.15	8.0	4.35
British Syphon Industries	Friday	1.3	1.3	—
Brown and Jackson	Friday	4.0	5.0	—
Bulgin (A. F.)	Monday	0.58	0.77	0.58
Chamberlin and Hill	Wednesday	1.1	1.65	1.1
Debenhams	Friday	2.04117	4.32443	2.04117
Duport	Tuesday	—	—	—
Emray	Tuesday	—	—	—
Feedback	Wednesday	—	—	1.0
Fine Art Developments	Thursday	1.1	1.65	1.1
Fortnum and Mason	Monday	3.5	19.72	3.5
Hambros Investment Trust	Thursday	1.0	2.0	1.0
Hartwells Group	Friday	1.769	3.578	1.782
Heath (C. E.)	Tuesday	3.1	7.4	3.6
Hinton (Amos) and Sons	Tuesday	1.8	4.2	2.4
Land Securities Investment Trust	Monday	1.66667	4.66667	2.75
London Atlantic Investment Trust	Wednesday	1.75	3.0	1.75
London and Lennox Investment Trust	Tuesday	0.5	1.4	0.6
London and Northern Group	Wednesday	1.8	2.35	1.4
London Trust	Wednesday	1.25	2.25	1.25
Runciman (Walter)	Tuesday	2.5	5.0	2.5
Scott and Robertson	Thursday	0.766	0.766	—
Selincourt	Monday	0.441	0.7	0.441
Thomson Group	Thursday	—	—	0.91
TR Industrial and General Trust	Thursday	1.7	1.9	1.1
TR Natural Resources Investment Trust	Thursday	2.65	3.4	2.85
Vospot	Thursday	—	—	1.0
Warrington (Thomas) and Sons	Tuesday	1.1637	3.5709	1.75

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Weeks Associates	Monday	—	nil	—
Whitbread	Monday	1.4	3.06667	1.5
Whitbread Investment	Wednesday	1.45	2.65	1.8
INTERIM DIVIDENDS				
BOC Group	Monday	2.31	2.8	
Brockhouse	Thursday	—	1.0	
Brown (Matthew)	Monday	1.35	5.0	
Common Brothers	Wednesday	5.0	—	
Concentric	Thursday	0.6	2.71	
Construction Holdings	Thursday	5.6	7.0	
Dirbilier	Wednesday	0.6508	0.8354	
Fitcom Investment Trust	Friday	2.1	2.5	
Herman Smith	Thursday	0.2	0.3	
Irish Distillers Group	Wednesday	0.88	2.16	
Management Agency and Music	Friday	2.8	5.25	
Moran Tea Holdings	Wednesday	2.0	5.0	
Nookem American Trust	Tuesday	1.3	3.7	
Northern Industrial Improvement Trust	Tuesday	2.0	5.0	
Pentland Investment Trust	Wednesday	1.5	4.25	
Pleasurama	Thursday	1.25	3.5	
Redfearn National Glass	Wednesday	3.0	5.25	
Redman Heenan International	Wednesday	2.2	2.0	
Western Selection and Development	Monday	1.0	1.3	
Yorkshire and Lancashire Invest. Trust	Tuesday	0.65	1.35	
INTERIM FIGURES				
Barton Transport	Wednesday			
Royal Dutch Petroleum	Wednesday†			
Shell Transport and Trading	Wednesday†			
Stenhouse Holdings	Thursday†			
Unilever	Monday†			

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † First-quarter figures.

RESULTS AND ACCOUNTS IN BRIEF

HOSKINS AND HORTON (supplier to building and contracting industry)—Results for 1981 already known. Shareholders' funds £2.74m (£2.46m): fixed assets £2.02m (£2.31m): net current assets £1.18m (£721,000). Meeting: Birmingham, June 3, at 12.30 pm.

DAVIES AND NEWMAN HOLDINGS (shipbroker, ship's agent and airline operator)—Results for 1981 and prospects reported on May 1. Fixed assets £3.44m (£3.65m): fleet assets £26.92m (£30.21m): net current assets £1.77m (liabilities £362,000): shareholders' funds £16.35m (£16.45m): Increase in working capital £1.99m (£3.44m decrease). Meeting: Great Eastern Hotel, EC, June 3, noon.

C. D. BRAMALL (Ford main dealer)—Results for 1981 reported on April 20, 1982. Shareholders' funds £8.52m (£7.44m): current assets £9.47m (£6.72m), including debtors £2.38m (£1.58m) and bank and cash balances £8,735 (£3,142): net current assets £725,829 (£1.72m), bank overdraft £2.48m (£321,735). Meeting: Bradford, May 20, at noon.

DANAE INVESTMENT TRUST—Net asset value per income share as at April 30, 1982, was 34.51p.

JOVE INVESTMENT TRUST—Net asset value as at April 4, 1982, showed no assets attributable to the capital shares.

TRANSATLANTIC AND GENERAL INVESTMENT—Final dividend 4p making 7.3p (7p) for year to March 31 1982. Pre-tax revenue £220,000 (£255,000). Tax £83,000 (£110,000). Asset value per share 117.5p (123.4p).

WILSON (CONNOLLY) HOLDINGS (housing and property)—Results for 1981 reported on April 15, 1982. Shareholders' funds £37.49m (£32.32m): fixed assets £14.63m (£13.3m), listed investments £2.73m (nil): net current assets £29.83m (£22.58m): increase in net cash balances, short-term deposits and bank balances £1.79m (£1.39m decrease). CCA pre-tax profits £7.5m (£4.9m). Meeting: Northampton, May 21, at noon.

CITY OF OXFORD INVESTMENT TRUST—Pre-tax revenue for year to March 31, 1982, £328,688 (£331,515): expenses £65,150 (£57,027): tax £104,881 (£108,211). Final dividend 3.75p for net total 5.5p (same). Stated earnings per 25p share 5.48p (5.47p). Net asset value per share 139p (138.8p).

HUNTLEIGH GROUP—Results for 1981 already reported. Shareholders' funds £8.09m (£7.38m). Fixed assets £4.64m (£4.39m). Net current assets £4.69m (£4.17m). Increase in net overdrafts £540,888 (£1.25m decrease). The chairman reports that the *order* position in most of the group companies is good. Meeting, the Howard Hotel, WC, on June 9, at noon.

ABERTHAW AND BRISTOL CHANNEL PORTLAND CEMENT (building materials maker)—Results for 1981 reported April 16. Fixed assets £13.83m (£13.85m): current assets £11.8m (£10.78m): current liabilities £6.76m (£7.13m), including bank overdrafts £582,000 (£1.74m). CCA pre-tax profit £2.06m (£1.54m). Chairman said pre-tax profit, on historical cost calculation, was a record. He hoped sales volume for 1982 would not be less than in 1981, but competition from substitutes and imports were possible adverse factors. Meeting: Cardiff, June 4.

ELBAR INDUSTRIAL (vehicle and agricultural machinery dealer and engineer)—Results for 1981 reported May 5. Ordinary shareholders' funds £10.51m (£10.86m). Fixed assets £8.32m (£7.01m), net current assets £6.98m (£8.12m). Bank overdrafts net £6.94m (£4.32m), short-term loans £3.46m (£2.15m). Stocks and work in progress £16.71m (£12.97m). Group auditors, Coopers and Lybrand, note that of the total stocks shown in the consolidated balance sheet, stocks valued at £2.9m were held under bond in Iraq and that at the time of their report remained substantially unsold. They add that although the management is confident that these stocks will be ultimately realised at least the value they are stated in the balance sheet, in the circumstances it was not possible to verify this by normal audit procedures. Meeting: Chartered Insurance Institute, EC, June 4, 10.30 am.

MARINE ADVENTURE SAILING TRUST—No ordinary dividend is being paid for period September 10, 1981 to March 31, 1982. Pre-tax income £68,887, after interest of £627 and management expenses of £4,900. Tax took £35,254. Net asset value per share 27.67p, and as at April 30, 1982, 94.5p.

CAMPARI INTERNATIONAL (importer and distributor of leisure, camping and boating equipment). Company changing its accounting year to November 30 to fall into line with requirements of European subsidiaries. Move will streamline marketing operation. Interim statement for period ending May 31 will be made at normal time, as in previous years.

THE TRING HALL USM INDEX
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Close of business 14/5/82
BASE DATE 10/11/80 100
Tel.: 01-638 1591

LADBROKE INDEX
Close 586-591 (+3)

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Argyll Foods agreed to buy Sir James Goldsmith's British food retailing business **Allied Suppliers** for £101m. Argyll has a market valuation of £44m based on the price of the shares of 104p when dealings were *suspended and is financing the acquisition* through a tender offer of 95m of its shares at between 85p and 100p to raise between £81m and £95m. The balance of the purchase price, depending on the success of the issue, will be provided by loans from Samuel Montague and Midland Bank. Allied Suppliers was the largest UK food retailer when Sir James' Cavenham Group bought the company 10 years ago. If the merger goes through— it is conditional on clearance from the Office of Fair Trading—the combined group will rank fourth in the UK retail grocery market.

Mr Brian Haggas agreed to pay £9.2m cash to buy back from **Dawson International** the Keighley *spinning and knitting businesses* carried on under his family name. Dawson bought John **Haggas** late in 1978 for £24.9m. At that time, the Haggas family *interests received some £12.5m* as their share of the sale.

Holland Quinn, a recently-established Irish company, agreed terms for a £4.3m takeover of **H. Williams**, the troubled Dublin-based supermarket group. The offer consists of £7 cash for each ordinary share and £2.87 for each A share.

Grievson Grant and **Carr Sebag**, two London stockbroking firms, are in talks that could lead to a merger. The move follows an approach by Carr Sebag in the middle of last month, sounding out Grievson Grant on the subject.

British Car Auctions is acquiring **Nashville Auto Auctions** and **Metro Auto Auctions** of Kansas City for a total consideration *of $9m (£4.9m).*

Dealings in **Luis Gordon**, the Domecq sherry importer and distributor, were suspended at 20p on Thursday when it was announced that discussions are taking place over a possible buy-out by **Domecq** of the 30 per cent minority shareholding in Luis Gordon it does not already own.

Mr Robert Maxwell, through his company **British Printing and Communications Corporation**, launched a counter bid for *Lonsdale Universal, the office equipment* and printing group. BPCC had acquired a 10.64 per cent stake in Lonsdale since last months' dawn raid and subsequent 60p per share cash bid by **John Menzies**. BPCC is offering 88p per share cash, valuing Lonsdale at £5.9m. Mr Maxwell also announced that BPCC is paying £3.56m cash to buy the assets of **Finlas Printing and Publishing** from the receivers and began discussions with printing concern **Woodrow Wyatt** about a possible rescue after the last-named announced that it was going into receivership.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Assoc. Cms."A"¶¶	110*	108	52††	59.70	TVW
AAA Inds.	41	35	35††	1.65	Glossop
Adsn. Strathclyde	135*§	140	126	46.09	Charter Cons.
Capseals	50*§	50	45	2.43	Snnoco
Cawoods	311§§	294	263	150.62	Redland
Ductile Steels	170§§	156	114	22.13	Glynwed
Empire Stores	115§§	102	92††	37.54	GUS
Federated Land	175*	172	142	19.03	BSC Pnsn. Funds
General & Comm.	286‡‡‡	255	235	15.32	Britannia Arrow
Grant Bros.¶¶	190*	186	179	2.28	Jadepoint
Heron Motor Grp.	34*§	34	23	4.33	Heron Corp.
Lancaster (D. M.)	27½*	27	28	4.36	Intasun
Lonsdale Unvrsl.	66*§	65	66	5.31	Brit. Printing
Lonsdale Unvrsl.	60*	65	42	5.39	Menzies (J.)
Moran (C.) Group	20*	21††	21††	3.47	Mr C. Moran
NCC Energy	25*§	35††	35††	4.86	Cook Int.
Pearson Longman	343§	339	338	51.46	Pearson (S.)
Speedwell Gear Case	20*	23	14	0.19	Lathkill
Tunnel Hldgs.¶¶	580	545	565	132.89	RTZ

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on May 14 1982. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Arrow Chemicals	Dec	146	(498)L	3.0	(—)	—	(—)
Bank of Ireland	Mar	62,600¶	(52,700)¶	82.9	(88.5)	11.5	(11.5)
Barr & Arnold	Dec	353L	(50)L	1.1	(24.6)	1.0	(3.0)
BHS	Apr	42,560	(39,660)	13.0	(13.5)	4.75	(4.5)
Bulmer & Lumb	Mar	572	(776)	5.5	(6.1)	3.82	(3.82)
Coats Patons	Dec	74,800	(65,900)	14.7	(13.9)	4.0	(4.0)
Costain	Dec	47,990	(42,550)	48.1	(47.0)	11.0	(10.0)
Ellis & Goldstein	Jan	1,420	(1,240)	5.0	(5.1)	2.15	(2.15)
European Ferries	Dec	21,780	(30,360)	7.0	(12.8)	3.1	(5.16)
Feedex Agricltr.	Dec	432	(360)	3.8	(3.0)	1.15	(1.1)
Fst. Castle Elect.	Jan	827	(531)	9.8	(7.1)	2.15	(1.79)
Folkes (J.) Hefo	Dec	724L	(1,350)	—	(3.4)	1.25	(1.4)
Foster (John)	Feb	291L	(888)L	—	(—)	0.5	(0.5)
Francis Inds.	Dec	1,740	(1,800)	13.7	(14.4)	5.0	(4.75)
Gates (Frank G.)	Dec	1,300	(1,000)	11.5	(10.6)	2.5	(2.0)
Hawtin	Jan	125L	(270)	—	(0.3)	—	(0.25)
Holt Lloyd Intl.	Feb	3,070	(3,270)	5.6	(5.6)	3.17	(3.17)
Hunting Assoc.	Dec	6,400	(6,050)	34.4	(40.4)	5.0	(5.0)
King & Shaxson	Apr	1,080	(915)	12.0	(10.2)	6.5	(5.75)
Kwik-Fit Tyres	Feb	1,560	(4,010)	3.6	(4.4)	1.36	(1.36)
Lee Cooper	Dec	9,090	(6,550)	27.7	(16.4)	3.01	(2.74)
Manor National	Dec	420	(375)	—	(—)	—	(—)
Minty	Jan	107	(318)	17.5	(44.7)	7.5	(10.0)
More O'Ferrall	Dec	3,080	(3,690)	9.9	(11.8)	3.7	(3.0)
Myson Group	Dec	7,120L	(3,430)L	—	(—)	—	(0.25)
Nrthn. Gldsmths.	Feb	198	(383)	5.1	(8.0)	3.51	(3.51)
Nurdin & Peacock	Dec	10,090	(8,650)	11.0	(10.1)	2.7	(2.25)
Porter Chadburn	Jan	131L	(201)	—	(3.5)	0.35	(2.6)
Sears Holdings	Jan	104,000	(99,700)	4.8	(5.7)	2.5	(2.3)
Seccombe Mrshll.	Apr	410	(339)	29.3	(24.2)	20.0	(18.0)
Shires Inv.	Mar	390	(435)	10.6	(12.0)	11.8	(11.8)
Smurfit (Jeffrsn.)	Jan	21,370¶	(17,410)¶	12.0	(8.7)	4.63	(4.63)
Tysons Contrctrs.	Dec	1,480	(156)	29.1	(7.6)	2.12	(2.12)
UEI	Jan	4,210	(3,210)	11.4	(10.4)	4.3	(3.58)
Usher Walker	Dec	338	(388)	8.7	(16.6)	4.29	(4.07)
Wace Group	Dec	806L	(1)	—	(3.6)	—	(1.44)
Walker (J. O.)	Dec	116L	(20)	4.0	(79.3)	1.0	(3.0)
Yorklyde	Jan	1,180	(949)	56.7	(75.6)	16.5	(15.0)

Scrip Issue

Seccombe Marshall and Campion—One for seven.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Akroyd & Smithrs.	Mar	10,620	(5,910)	4.0	(3.5)
Assocd. Paper	Apr	1,260	(11)	1.0	(0.6)
Baggeridge Brick	Mar	74	(136)	1.25	(1.25)
Bellway	Jan	54	(217)	3.0	(3.0)
Borthwick (Thos.)	Mar	127	(1,950)L	—	(—)
Brentnall Beard	Mar	62	(28)	—	(—)
Commercl. Union	Mar	1,700L†	(18,400)	—	(—)
Cooper (Fredk.)	Jan	120	(255)L	0.5	(0.5)
Crystalate Hldgs.	Mar	870	(506)	0.87	(—)
Davenports Brwy.	Apr	624	(617)	1.21	(1.16)
Gomme Holdings	Jan	916L	(958)L	—	(—)
GR Holdings	Dec	1,120	(1,348)	1.6	(1.6)
Hawkins & Tipson	Feb	557L	(476)L	—	(—)
Hepworth (J.)	Feb	2,230	(2,720)	0.79	(0.79)
Jessups	Apr	2,350L†	(2,040)†	—	(—)
Lloyds & Scottish	Mar	8,480	(12,790)	1.87	(—)
Lonsdale Unlvrsl.	Feb	261L	(20)L	—	(1.0)
Nth. Mdlnd. Cons	Feb	47	(102)	0.65	(0.65)
NSS Newsagents	Mar	571	(165)	0.5‡	(0.5)
Pearce (C. H.)	Mar	3,130	(2,820)	1.5	(1.35)
Pochins	Nov	1,380	(1,290)	4.25	(4.0)
Reliant Motor	Nov	201	(452)	0.88	(0.88)
Royal Insurance	Mar	84L	(597)L	—	(—)
Smith & Nephew	Mar	3,500L†	(26,700)†	—	(—)
Trafalgar House	Mar	6,980†	(6,080)†	—	(—)
Tricentrol	Mar	27,720	(21,510)	3.5	(3.0)
Ultramar	Mar	43,700†	(42,000)†	—	(—)
Utd. Scientific	Mar	12,660†	(11,960)†	—	(—)
Vaux Breweries	Mar	3,470	(3,420)	2.75	(2.5)
Wellco Hldgs.	Mar	4,650	(2,840)	1.5	(1.25)
Whessoe	Dec	214	(85)	0.4	(0.4)
Woolworth (F.W.)	Mar	2,120	(1,190)	2.0	(1.5)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where otherwise stated. † First quarter figures. ‡ The dividend will be payable should offer by John Menzies lapse. ¶ In I£. || Profits after rebate, tax and a transfer to contingencies. § Profits after tax and transfer to contingencies. L Loss.

Rights Issue

Saatchi and Saatchi—Is raising £26.167m by way of a one for one rights issue at 325p per share.

Offers for sale, placings and introductions

Argyll Foods—Is issuing 95m new ordinary shares at between 85p and 100p per share to raise between £81m and £95m.

CAMRA (Real Ale Investments)—Is joining the Unlisted Securities Market.

Michael Black—Is coming to the Unlisted Securities Market via a placing of 1,683,000 ordinary shares at 90p per share.

Nabisco Brands—Has been granted a listing for its shares on the Stock Exchange with effect from next Monday.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$300	—	—	—	—	8	59	$334.75
GOLD C	$325	24	11.90	11	30	5	42	"
GOLD C	$350	83	1	8	17.50	—	—	"
GOLD C	$375	—	—	11	2	—	—	"
GOLD C	$425	—	—	4	5	—	—	"
GOLD P	$325	25	3.10	2	12	95	18	"
GOLD P	$350	101	20	4	27 A	—	—	"
12¾ NL 81 87-81								
C	F.110	5	—	50	5.30 B	—	—	F.115.20
C	F.112.50	—	—	15	3.20	32	3.40	"
C	F.115	—	—	110	1.80	70	2.20	"
P	F.112.50	—	—	100	0.90	—	—	"
12 NL 81 85-88								
C	F.102.50	1350	3.10	—	—	—	—	F.105.80
10¾ NL 80 85-95								
C	F.100	—	—	20	3.30	—	—	F.102.90
C	F.102.50	—	—	100	1.80	1	3.30	"
P	F.97.50	—	—	—	—	10	0.50	"
11¼ NL 82 88-92								
C	F.100	—	—	—	—	20	5.20	F.104.90
C	F.102.50	200	2.30	—	—	150	3.90	"
C	F.105	—	—	10	1.50	5	1.90 B	"
P	F.105	—	—	—	—	55	1.90	"
10 NL 82 86-89								
C	F.100	—	—	—	—	40	1.90	F.100.10
P	F.100	—	—	—	—	10	2.40	"
		July		Oct.		Jan.		
AKZO C	F.25	22	4.50 B	—	—	—	—	F.29.30
AKZO C	F.27.50	—	—	5	2.50	—	—	"
AKZO C	F.30	133	0.70	—	—	—	—	"
AKZO C	F.32.50	—	—	—	—	2	1.10	"
AKZO P	F.30	5	2.80	8	2.70	—	—	"
AMRO C	F.55	—	—	—	—	5	2.40	F.53.70
HEIN C	F.55	15	7.30	—	—	—	—	F.62
HEIN C	F.60	14	3.60	4	6.30	—	—	"
HEIN C	F.65	13	1.40	15	2.70	3	3.80	"
HEIN P	F.60	—	—	3	2.80	—	—	"
HEIN P	F.65	—	—	—	—	10	5.50	"
HOOG C	F.17.50	22	0.60 B	—	—	—	—	F.16
KLM C	F.90	5	17.70	15	18.60	—	—	F.104
KLM C	F.100	40	9.50	—	—	—	—	"
KLM C	F.110	62	4.60	35	8.50	—	—	"
KLM C	F.120	11	2.40	—	—	—	—	"
KLM P	F. 20	32	1.30	—	—	—	—	"
KLM P	F.100	2	3.80	—	—	—	—	"
KLM P	F.110	32	2.80	—	—	—	—	"
NEDL C	F.120	32	10.80	—	—	—	—	F.131.50
NEDL C	F.130	111	2.50	40	4.50 B	—	—	"
NEDL C	F.140	10	0.80	—	—	—	—	"
NEDL P	F.120	28	4.50	5	5.50	—	—	"
NEDL P	F.130	—	—	20	12.50	—	—	"
NATN C	F.120	18	1.70	—	—	—	—	F.118
NATN P	F.120	31	6.50	—	—	—	—	"
PHIL C	F.22.50	31	2.30	10	2.70	37	3.20	F.24
PHIL C	F.25	214	0.70	140	1.30	127	1.70	"
PHIL C	F.27.50	5	0.20	100	0.60	130	0.80	"
PHIL P	F.22.50	20	0.40	—	—	—	—	"
PHIL P	F.25	15	1.40	13	1.50	20	1.80	"
PHIL P	F.27.50	5	3.30	—	—	—	—	"
RD C	F.70	28	24.30 B	—	—	—	—	F.94.30
RD C	F.80	5	14.30 B	—	—	—	—	"
RD C	F.90	50	4.60 B	—	—	7	6.50	"
RD C	F.100	82	1.10	5	1.80	12	3	"
RD P	F.90	31	2.00	16	4.20	—	—	"
UNIL C	F.150	10	8.50	—	—	—	—	F.158.40
UNIL C	F.160	10	2	—	—	—	—	"
UNIL P	F.150	30	8.70	—	—	—	—	"
		May		Aug.		Nov.		
BOEI C	$20	100	$½	—	—	—	—	$19⅞
MANH C	DM.150	—	—	10	1	—	—	DM140.10
VW C	DM.120	4	30.50	—	—	—	—	DM149.30
VW C	DM.130	4	20.60	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS: 4937

A=Asked B=Bid C=Call P=Put

Optimism at R. Cartwright

Mr J. C. Northam, chairman of **R. Cartwright (Holdings)**, manufacturer of door and window furniture, told the annual meeting that short-time working in some of the group's companies had continued, but he did not expect it would be of a long duration.

He said the group was optimistic that the new range of products—during the past 12 months it had been developing a comprehensive range of architectural fittings—and the much-heralded improvement in building activity would help in the last quarter "if not before."

He said that every year it became more difficult to forecast the possible course of events, and this year was no exception. There had been many false dawns which had faded disappointly, and he said one was loth to make any prediction which would create undue optimism.

In spite of the uncertainties *resulting from the political crisis* between this country and Argentina, and the slimming down operations carried out, the group was in a far better position to cope with even the most optimistic forecasts of business recovery with only a modest increase of labour.

Mr Northam also spoke about exports and said: "Exporting certainly isn't fun any more, but a very frustrating exercise. We are spending more money on full-time representation and advertising, but all we manage to do is stand still."

Long and Hambly's losses soar

REPORTING a 144 per cent jump in first-half losses, the directors of rubber and plastic moulder, **Long & Hambly**, say the figures are substantially worse than had been anticipated.

Losses, before tax, for the six months to February 6 1982 increased from £407,000 to £992,000, on a lower turnover of £4.73m, compared with £6.47m. *The company is a subsidiary of* Scottish Cities Investment Trust.

Explaining the setback, the directors say that since the annual meeting it has been established that the company's operations at Northampton have been trading at a serious loss.

They are, however, taking urgent steps to ensure that the company returns, with minimum possible delay, to a position where it is trading profitably.

The problems at Northampton arose largely because of an underestimate of costs being incurred in taking over production previously carried out at High Wycombe. This was aggravated by considerably higher wastage of materials than has been previously experienced in those operations.

Loss per 10p share for the half-year increased from 2.065p to 4.99p. There is again no interim dividend — the last payments were in respect of the year ended July 31 1979.

Interest charges were slightly higher at £197,000 (£192,000). There is again no tax, but there was an extraordinary debit of £286,000 this time — largely the closure costs of the Slater Street Site.

Wm. Low

The recent rights issue by Wm Low has been accepted in respect of 2.15m ordinary shares, or 93.14 per cent.

The balance not taken up has been sold in the market at a premium.

LOCAL AUTHORITY BOND TABLE

Authority (*telephone number in parentheses*)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	13¼	½-year	1,000	4-8

U.K. CONVERTIBLE STOCK 15/5/82

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	265.50	333.3	80-97	4.5	2.1	0.8	−2 to 4	32.0	84.5	19.9	+19.1
Hanson Tr. 9½pc Cv. 01-06	156.59	117.00	71.4	85-01	8.4	8.1	5.0	2 to 14	86.1	74.5	−10.4	−15.4
Slough Ests. 10pc Cv. 87/90	5.03	240.50	187.5	78-84	4.2		−1.3	−8 to 5	17.8	18.1	0.2	+ 1.5
Slough Ests. 8pc Cv. 91-94	24.88	110.00	78.0	80-91	7.5	6.9	8.5	3 to 15	31.2	45.7	14.3	+ 5.8

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of the underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

WORLD STOCK MARKETS

Wall St awaits money figures

NARROWLY HIGHER levels developed on Wall Street yesterday, but trading was light as investors moved to the sidelines to await the weekly Money Supply figures, released after the close.

By 1 pm the Dow Jones Industrial Average was up 1.14 at 860.25, reducing its loss on the week to 8.95, while the NYSE All Common Index, at $68.27, rose 7 cents on the day but was still off 49 cents on the week. Advances edged declines by a margin of about 10 shares, while the volume was a modest 38.89m (40.38m) shares.

Analysts said investors are reluctant to buy into the Stock Market ahead of an expected rise in the Money Supply figures. The M-1 measure of the Money Supply is projected to show a gain of one to two billion dollars or even higher.

The market was also unsettled by Thursday's news that Braniff had filed for bankruptcy, as this raised the specter of other Corporate failures.

Braniff fell a further 87 cents to 14 cents in heavy trading, but the rest of the Airline stocks extended Thursday's rally in the group. Investors speculated about which carriers would benefit from the removal of Braniff from the market.

American Airlines, the second most active stock, moved up $¾ to $17, and its Warrants were also very active, adding $¾ at $6¾. Other gainers included Delta, up $⅞ to $32¼, and Southwest, $½ to $37¼.

Datapoint improved $¾ to $13¾ in heavy trading — Thursday it announced that five Vice-Presidents resigned from the Domestic Marketing Organisation.

Cigna were also active and recovered $1 to $42¼ after falling $5¾ Thursday on sharply lower earnings.

Sony, the volume leader, added $½ at $16¼ on a turnover of some 1.2m shares—a block of 1.03m shares traded at $16.

THE AMERICAN SE Market Value Index was off 0.18 to 279.23, reducing its rise on the week to 3.26. Trading volume decreased 547,000 shares to 2.60m, compared with 1 pm Thursday.

Canada

Markets were mixed around noon yesterday, with the Toronto Composite Index off 1 at 1,569.1.

But Golds rose 53.8 to 2,147.3, Metals and Minerals 5.8 to 1,414.1 and Oil and Gas 4.1 to 2,816.0, while Banks shed 2.49 to 278.02 and Utilities eased 0.06 to 206.28.

The Real Estate Index fell 20.9 to 3,543.4—analysts said the new interest-free Homebuyer Loans offered by the Ontario Government would have little effect on Real Estate issues, or the Housing Industry.

Tokyo

Share prices fell on profit-taking after Thursday's sharp gain, with sentiment discouraged by the yen weakness and the overnight fall on Wall Street.

The Market Average shed 27.40 to 7,575.81 on a volume of 290m (280m) shares.

Profit-taking centred on Blue Chips, with losses led by Precisions. But Light Electricals ended mixed.

Yaskawa Electric, up Y16 to 641, drew heavy attention, especially in the afternoon — Traders said rumours that Foreigners bought 1.4m shares in early trading apparently triggered a wave of buying.

Pioneer put on Y60 to 1,510, despite results, brought about by a demand drop in the audio market.

Nippon Electric rose Y10 to 820 on news it has developed a new radio wave absorber.

"Large Capital" issues, such as Steels, Heavy Electric Machine Makers and Shipbuilders were easier.

Hong Kong

Stocks closed lower although above the worst on late bargain hunting.

Prices were overshadowed by signs of firmer interest rates in the U.S. which lessened the likelihood of a cut in local rates.

Trading was fairly active with buying interest centred on Utilities and Minor stocks.

Australia

Prices were marginally lower, mainly reflecting profit-taking in Resource stocks by London traders ahead of the end of the UK Account.

Market analysts said prices were buoyed in the morning on buying from Asian investors. A decision by the Australian Arbitration Commission to reject a Trade Union application for a National pay rise helped labour-intensive stocks such as Retailers and Transporters.

Support for Industrials was not strong because of the possibility of industrial disputes after the Union pay rejection.

Claremont shed 3 cents to 87 cents, but Santos gained 6 cents to A$5.40 while Vamgas held unchanged at A$8 after news Jackson No 3 well was being completed as an oil producer.

Bank of NSW lost 2 cents to A$2.83 — after the close it reported an interim profit rise of 7 per cent to over A$115m.

Germany

Most shares recovered from Thursday's weakness to close steadier, with dealers citing renewed Foreign buying interest.

Foreign investors were particularly drawn to the Export Oriented Machine Makers, which posted the best performance as a sector.

In Engineerings, Linde, neglected recently, featured with a strong rise of DM 8.40 to 274.90.

AEG rebounded DM 2.70 to 38.7, despite its prediction of a sharp operating loss again this year.

In Chemicals, Hoechst firmed to DM 119.6—it declined comment on reports that Kuwait has acquired a blocking minority stake in the company.

BASF hardened to DM 128.7 after midweek weakness on news of lower profits.

Steels were sought.

In Banks, Dresdner slipped DM 0.50 to 158.50, despite holding out hopes of a higher dividend.

Paris

Lower in quiet trading in line with overnight Wall Street advices.

Sentiment was also depressed by this week's proposals of Industry Minister, Pierre Dreyfus, to restructure the French Chemical industry since they could entail extra costs for the companies concerned.

Credit Foncier fell Frs 8 to 349, despite Thursday's forecast by Deputy Bank Governor, Gerard Eldin, that 1982 profits could rise in line with last year's 14 per cent increase.

Matra rose Frs 93 to 1,398—it received a Frs 350m order for delivery of data-processing equipment.

Switzerland

Barely steady as profit-taking set in following Thursday's advance.

Investor enthusiasm over the latest round of interest rate cuts was dampened when it became evident interest sensitive issues could not maintain Thursday's good gains.

Turnover also slowed considerably.

Major Banks were among the biggest losers, while most smaller Banks recorded gains.

Singapore

Narrowly mixed, with prices fluctuating uncertainly throughout the day on buying support and profit-taking in selective active trading.

Hotels were higher, Commodities slightly up, while Properties and the Second Trading Section were mixed.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SWEDEN

GERMANY

SOUTH AFRICA

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

NY. S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

مكتبة من الأصل

INTERNATIONAL COMPANIES and FINANCE

Interim earning collapse at Pioneer Electronic

BY YOKO SHIBATA IN TOKYO

PIONEER ELECTRONIC, Japan's largest manufacturer of audio equipment, and its 46 consolidated subsidiaries suffered an 82.5 per cent fall in net profits, to Y1.28bn ($5.4m) in the first half ended March.

The earnings collapse was blamed on higher fixed costs resulting from production cuts to adjust inventories and the heavy start up cost of video disc players.

Pioneer's consolidated interim sales slipped by 2.8 per cent to Y152.94bn ($648m). Profits per ordinary share plunged to Y10.84 from Y64.62 in the previous year. Consolidated profits per American Depositary Share (ADS) were Y22 against Y129.

In the first half Pioneer suffered a steep plunge in demand both at home and abroad. Partly because of poor Christmas sales its inventory, centering on overseas stocks, reached Y85.9bn at the end of December. In an attempt to cut them to Y50bn by this September, Pioneer has cut production by 30 per cent from peak levels at the beginning of the year.

Pioneer's overseas sales, representing 65.1 per cent of total turnover, declined by 1.7 per cent while domestic sales fell by 4.6 per cent.

Sales of hi-fi audio equipment, accounting for 50.8 per cent of the total turnover declined by 14.7 per cent. Sales of general audio equipment rose by 1.4 per cent to account for 37.5 per cent.

The company plans to continue the current level of production cut at least to the end of June. Higher sales promotion expenditures to help clear inventories is expected to depress earnings considerably.

First-half parent company operating profits fell by 18.7 per cent to Y11.4bn, net profits fell 14.3 per cent to Y6bn on sales down 7.2 per cent to Y115.95bn.

Parent company full year operating profits are expected to fall by 42.8 per cent to Y18.5bn, net profits to fall 48.5 per cent to Y10bn and sales to decline 15.6 per cent to Y227bn.

Record loss for Italian steelmaker

By Rupert Cornwell in Rome

FINSIDER, the holding company for Italy's state-controlled steel industry, yesterday reported the worst results in its history. The deficit of the parent company alone last year was L246bn, while the overall group loss reached L2,130bn ($1.67bn), double that of 1980.

As a result, the company is to carry out a two-stage financial operation, first by writing down its capital by L241bn to L2,171bn, and then raising it by L502bn to L2,673bn.

Last year's unprecedented deficit, which accounts for over half the cumulative losses of Italy's troubled state sector, was caused primarily by interest charges, which towered over a modest operating profit of L228bn. However, there are pointers suggesting that 1982 could see an improvement in group fortunes.

Italsider, Finsider's principal operating company, which in 1981 reported a loss of L1,698bn, has already announced a significant improvement for the early months of this year.

Nuova Italsider, the company hived-off last September, achieved a gross first quarter profit of L53bn, compared with a loss of L38bn in the same period of 1980.

Financial help from the Government under last year's steel industry recovery plan coupled with higher productivity, and improvements at the Taranto works, are expected to contribute to a big reduction in Italsider's, and thus Finsider's deficit.

Further benefits will flow from the almost completed rationalisation agreement between Finsider and Fiat in the special steels sector.

ADB borrows Y20bn

The Asian Development Bank (ADB) has obtained a Y20bn ($85m) loan from Japan, its fourth direct borrowing from the Tokyo market, reports our Manila correspondent.

Big Japanese bank may buy stake in Wells Fargo

BY OUR NEW YORK STAFF

WELLS FARGO, one of the largest banks in California, may be negotiating an injection of capital from Industrial Bank of Japan. If the deal goes through it would mark a further enlargement of Japan's already considerable banking presence in the state.

According to a report in yesterday's Wall Street Journal, Industrial Bank, which is Japan's fifth largest bank, has purchased 200,000 to 300,000 Wells Fargo shares—around 1 per cent of the total equity of $532.4m at current market prices and may be preparing to make a major capital infusion.

Wells Fargo would not comment on the report. However, it confirmed that the bank's chairman, Mr Richard Cooley, is in Tokyo on "a routine trip."

Banking analysts say that many major U.S. banks are seeking new equity to fuel their expansion, and they would not be surprised to see some kind of Japanese deal. In an interview with the Financial Times last year, Mr Cooley said he was keen to increase his bank's capital and said he would look at any approaches from outsiders if he thought they would be good for the bank.

Wells Fargo, with assets of $24bn, is the 12th largest U.S. bank. Its earnings for the past two years have been weak because of its low-yielding loan portfolio which includes a large volume of fixed rate mortgages. The bank has been trying to restructure its balance sheet and cut costs.

Last year, Midland Bank of the UK acquired a majority stake in Crocker National Bank, the fourth largest bank in California. The deal, worth over $800m, was the largest in U.S. banking history. The Japanese already have a considerable banking presence in California, the nearest U.S. state to them. They own several banks outright and have dozens of branches.

Bank of NSW margins squeezed

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE BANK of New South Wales reported a 7.2 per cent rise in consolidated operating profits to A$115.3m (US$122.2m) for the half-year ended March. An unchanged interim dividend of 12 cents a share was declared.

The interim results included the Commercial Bank of Australia following its merger with the Wales last October.

The board said banking profits fell 8 per cent from A$73.4m to A$67.6m mainly because "interest rates charged on advances did not reflect the higher cost of funding."

The fall was offset by a 33.2 per cent rise in the operating profit of the group's finance companies, Australian Guarantee Corporation and GCL, from A$31.8m to A$42.3m.

Other non-banking incomes was A$5.4m against A$2.3m. The group's gross income showed a 29.4 per cent gain from A$1.42bn to A$1.83bn. Earnings per ordinary share fell from 35 cents to 29 cents.

"With continuing pressure on interest margins in Australia, banking profits are expected to remain depressed during the half-year to September 30," the bank said.

On Thursday, the recently merged National Bank of Australasia and the Commercial Banking Company of Sydney also reported pressure on banking profits. They edged ahead to A$64.9m from A$59m while total net profit for the March half rose to A$81.4m against A$72.5m.

The Wales said the Commercial Bank of Australia's contribution to operating profits in the March half was A$26.8m against an estimated A$25.6m earned a year earlier.

The group expects that its new name, Westpac Banking Corporation will take effect on October 1.

Group assets at March 31 totalled A$28.8bn, a 12 per cent gain from September 30 1981.

Singapore group seeks listing

By Our Financial Staff

HOTEL PROPERTIES, the owner of the 435-room Singapore Hilton Hotel, is expected to make a public offer of 35m new shares and seek a listing on the Singapore stock exchange next week.

The shares are expected to be priced at S$1.05 per share and will raise the company's issued capital to 120m shares of S$1

Piaggio exports hindered

BY OUR ROME CORRESPONDENT

PIAGGIO, Italy's leading producer of motorcycles, scooters, mopeds and three-wheelers, achieved a modest increase in profits last year to L20bn ($15m) on sales of L626bn, compared with L16bn on sales of L546bn in 1980.

Piaggio exported 41 per cent of its production last year, but the number of vehicles produced was about 3.5 per cent down on the 1980 total at 905,000. The company blamed the high Italian inflation rate and other costs for eroding competitiveness abroad.

It has, however, benefited from improved productive efficiency, better labour relations and the favourable rate for the lira against the dollar.

The 1981 profit figure was reached after allowing L58bn for depreciation. Other provisions accounted for L12bn.

Daf Trucks profit hit by reduced output

By Walter Ellis in Amsterdam

NET PROFITS at Daf Trucks of the Netherlands fell to Fl 1.2m ($480,000) last year from the 1980 figure of Fl 23.8m. The company, however, appears relieved to have made any profit at all and says that earnings for the first quarter of 1982 should show some improvement, reflecting a modest upturn in sales.

Daf blames the weakness of the European economy for its slump in earnings while pointing to success in Africa and the Middle East, where sales last year rose by 54 per cent.

Net sales for the year were Fl 1.56bn compared with Fl1.49bn in 1980, but production was 25 per cent down because of increased competition. Profit margins were sharply reduced. Sales of trucks of more than nine tonnes dropped by 20 per cent following an 11 per cent fall in 1980, with the reduced demand in Western Europe doing most of the damage.

In the bus division, sales rose 20 per cent, mostly due to an increase in European demand. The components division also had a positive result.

Daf's market share in the Netherlands moved up slightly in 1981, to 36 per cent from 35.6 per cent the previous year, while its share of the general European market held steady.

The board expects modest growth this year and forecasts a "much sharper" improvement in 1983 if the business recession finally lifts. It has high hopes for the new 2500 and 3300 series large trucks.

Defence work lifts CNR back to black for 1981

BY JAMES BUXTON IN ROME

ITALY'S LARGEST shipbuilding company, the State-owned Cantieri Navali Riuniti (CNR), made a small but symbolically important profit last year, the first for several years. It achieved a net surplus of L2bn ($1.5m) on turnover of L635bn.

The turnround in the fortunes of the company, which is owned by the IRI-Fincantieri holding company, is mainly due to its successes in building warships, and to good progress in ship repair work.

Italy has become an important manufacturer of warships, including the Lupo Class frigate and smaller vessels. Last year, it signed a contract worth $1.8bn for the supply of 11 warships — including four Lupos and six corvettes — and a floating dock to Iraq. Most of the work will be done by CNR, whose orderbook consequently jumped by L1,849bn last year, as against new orders of L306bn in 1980.

CNR's profit for 1981 was struck after allowing L10.6bn for depreciation and L13bn for the losses of associate companies. In 1980, CNR's turnover was L496bn on which it made a loss of L5bn. But the figures are not directly comparable because in 1981 CNR incorporated two shipbuilding subsidiaries.

Lafarge-Coppee sales boosted by acquisition

By Terry Dodsworth in Paris

LAFARGE - COPPEE, the French cement group, has announced a 15 per cent increase in net consolidated profits from FFr 325m to FFr 373m ($62m) for 1981.

The results do not take account of a FFr 52m exceptional profit made in 1980, mainly from the sale of its Lafarge Emballage packaging division.

In addition, there were exceptional write-offs of FFr 8m last year, leaving the overall profit on this basis slightly down on 1980.

Turnover rose by 53 per cent, from FFr 9.1bn to FFr 13.97bn, mainly because the accounts of the Coppee biotechnology group of Belgium were included for the first time.

Lafarge says it has consolidated the figures of General Portland, the U.S. cement group, only from the date of acquisition last November, so they have not had a significant impact on the overall outcome.

The group, one of France's fastest-growing international concerns in recent years, was hit in France last year by the stagnation in demand for cement.

Dresdner Bank recovery

BY OUR FINANCIAL STAFF

DRESDNER BANK expects better overall results in 1982 and the improvement in earnings should be reflected in the next dividend, the annual meeting was told.

The bank, one of the big three West German commercial banks, cut dividend in 1981 to DM 4 from DM 6, following a sharp fall in profits as a result of heavy provisions.

Operating earnings in the first four months of 1982 were "markedly better" than in the same 1981 period.

The interest margin is still not comfortable in view of cost pressures and risks which the margin must cover, the bank said. But the current trend is for a widening return.

COMMODITIES AND AGRICULTURE

Sugar prices hit by U.S. import curbs

BY OUR COMMODITIES STAFF

WORLD SUGAR market values fell sharply as concern deepened over the effect of U.S. import restrictions on an already over-supplied free market. In a last-ditch attempt to stop the Government's quota plan, which is intended to support domestic producer prices, U.S. cane refiners have filed a suit in the courts against Mr John Block, the agriculture secretary. But it now seems virtually certain that the import curbs will come into force.

The failure last week of producing members of the International Rubber Agreement (INRA) to resist consumer pressure for a significant cut in the INRA support buying price pushed values down early in the week and the spot price reached 53p a kilo at one stage. But the resumption of INRA support buying later lifted prices.

A support price cut of one per cent was agreed instead of the 5 per cent due under INRA's rules but producers thought even this was far too severe. Consumers had caused "irreperable damage" to the pact, said Tan Sri B. C. Sekhar, head of the Malaysian INRA delegation.

An emergency meeting of the Association of Natural Rubber Producers has been called to discuss producer doubts over their continuing interest in the agreement.

In the resulting price decline chart resistance levels were breached, sparking further speculative selling, and the London daily price ended £13 down on the week at £106 a tonne—the lowest level since September 1979.

A forecast by West German sugar statistician F. O. Licht that European crop yields in the present season would be lower than last year's did little to strengthen the market. And dealers saw little prospect of next week's International Sugar Organisation council meeting in London having a material effect on market sentiment. The council will be discussing export quotas for the coming season.

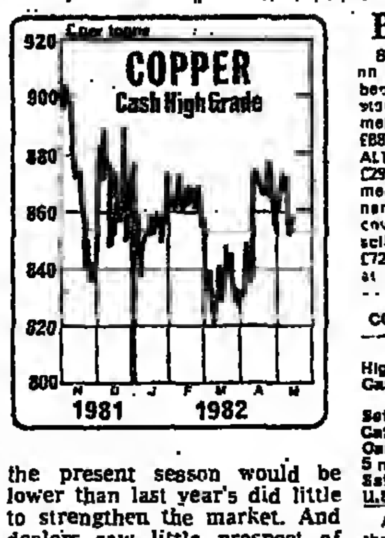
Meanwhile last week's sharp decline in natural rubber prices was checked and the RSS No 1 spot position on the London physical market ended 0.75p up at 54.75p a kilo.

Fears that attempts to settle the Falklands Islands crisis were losing ground brought a firmer trend in the metal markets yesterday. But these gains mainly only offset losses earlier in the week, with base metals in particular being hit by continued lack of demand.

In spite of yesterday's rally, higher grade cash copper ended the week £13 lower at £858 a tonne. Traders said the market had become overbought. So there was little reaction to news that Phelps Dodge, the big U.S. producer, is to extend the shutdown of mines and smelters for a longer period in view of failure of prices to recover.

Aluminium futures fell to the lowest level since trading started on the London Metal Exchange in the end of 1978. Stocks are at a record level of well over 200,000 tonnes and consumer demand remains very depressed.

Silver prices dropped to the lowest level for over three years at one stage. Gold was almost entirely dominated by the Falklands Islands crisis. Trading activity was very subdued, although the market picked up strongly yesterday afternoon when hopes of an early peaceful settlement appeared to founder.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1982 High	1982 Low
METALS					
Aluminium	£810.816	—	£810/815	£810/815	£810/815
Free Markets c.i.f.	$985/1015	—	$1995/325	$1129/150	$975/1005
Antimony					
Free Market 99.6%	$2300/2350	—70	$2875/895	$2450/560	$2125/225
Copper-Cash High Grade	£858	—13	£840.5	£876	£891.5
3 months Do. Do.	£886.25	—15	£853.25	£906.75	£849.75
Cash Cathodes	£850.5	—15.75	£836.5	£871	£820
3 months Do.	£878.5	—18.75	£853.98	£898.5	£848
Gold per oz	$656.185	+0.875	$484.5	$406.5	$313
Lead Cash	£317.25	—9.5	£362	£366.5	£310.5
6 months	£330.25	—2.5	£348.25	£577.25	£393.75
Nickel	£3974	—	£3,504.5	£3974	£3757.75
Free Markets c.i.f. lb.	269/259c	—	995/310c	265/285c	630/260c
Platinum per oz.	£260	—	£930	£260	£260
Free Market per oz	£176.00	+07.0	£295.15	£201.60	£168.50
Quicksilver (75 lbs)	$350/375	—7.5	$485/436	$415/420	$350/360
Silver per oz.	666.20p	—9.30	695.06p	467.85p	562.20p
3 months per oz.	677.700	—9.60	540.05p	483.15p	376.600
Tin cash	£7115	+47.5	£5177.5	£8925	£6845
3 months	£7297.5	+5.0	£6277.5	£8132.5	£5945
Tungsten Ind	$106.92	—	$147.51	$134.48	$106.98
Wolfram (22.04 lb.)	$106/110	+0.3	$142/145	$122/152	$106/107
Zinc cash	£419.75	—6.6	£412	£463.75	£403.5
3 months	£418.5	—6.85	£432	£462.26	£402
Producers	$860/900	—	$875/895	$950	$860/900
GRAINS					
Barley Futures	£104.83 z	+0.60	£95.45	£111.20	£102.50
Maize French	†	—	†	£157.60	£151.5p
WHEAT Futures	£126.20t	—0.20	£101.5	£124.40	£111.70
Hard Winter Wheat	†	—	£106.25	£118.75	£115.00
SPICES					
Cloves	£6,200v	—400	£4,650	£6,600	£5,400
Pepper, white	$1,840v	+40	$2,150	$2,000	$1,800
" black	$1,340v	+40	$1,425	$1,475	$1,600
OILS					
Coconut (Philippines)	†	—	$555	$550	$475
Groundnut 5%	$505v	—	†	$715	$620
Linseed, Crude	†	—	£426	£430	£425
Palm Malayan	$507.5u	—2.6	$550	$545	$490
SEEDS					
Copra (Philippines)	$330v	—	$385	$386	$325
Soyabeans (U.S.)	$277u	+4.25	$310.50	$277	$253
OTHER COMMODITIES					
Cocoa Shipments §	£1,004	—	£1,010	£1,276	£968
Cocoa Futures July	£955.6	—28.0	£909.5	£1,263.5	£919.5
Coffee Futures July	£1,142.6	+6.0	£1039.5	£1,353.5	£1,122.5
Cotton Index	77.05c	+0.50	87.85c	77.30c	67.80c
Des. Coconut	£600	—	£660	£640	£500
Gas Oil Fut. June	$301.25	+13.75	$214	$393	$235.25
Jute UJ ABW C grade	£269v	—	$276.5	£268	£253
Rubber kilo	54.75p	+0.75	54p	58.75p	45p
Sago Pearl	£245v	—	£215	£245	£220
Sisal No. SL	$640/650v	—	$730	$640/680	$640
Sugar (Raw)	£106v	—13	£171	£177	£106
Tapioca No. 1	£240v	—	£215	£240	£215
Tea (quality) kilo	162p	—	125p	125p	117p
(plain) kilo	780	—	74p	80p	78p
Wooltops 64s Warp	598p kilo	—3	557p kilo	409p kilo	375p kilo

† Unquoted. (g) Madagascar. (t) July. (u) June. (z) Sept. (v) May-June. (y) Aug-Sept. * Nominal. § Ghana cocoa. (n) June-July.

INDICES

FINANCIAL TIMES

May 13	May 12	Month ago	Year ago
240.39	241.15	245.34	252.85

(Base: July 1 1952=100)

MOODY'S

May 13	May 12	Month ago	Year ago
1004.5	1008.9	1000.9	1075.5

(December 31 1931=100)

DOW JONES

Dow Jones	May 13	May 12	Month ago	Year ago
Spot	125.01	125.60	127.58	387.95
Futr's	128.07	126.78	132.35	396.71

(Base: December 31 1974=100)

REUTERS

May 14	May 13	M'nth ago	Year ago
1579.0	1587.4	1816.3	1565.8

(Base: September 18 1931=100)

BASE METALS

BASE-METAL PRICES moved ahead on the London Metal Exchange, boosted by the initial decline in sterling and the strength of precious metals. COPPER ended the day at £887, LEAD at £328.5, ZINC at £418.5; ALUMINIUM at £583.25 and NICKEL at £2952.5. TIN held steady at £7220 for most of the day with the contango narrowing following further protective covering of June dates. However, late selling saw three months dip below £7200 and touch £7150 before closing at £7195.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
HighGrde.				
Cash	854-.5	+5.5	867.5-8.5	+5
3 mths	888-.5	+6	886-.5	+5.75
Settlem't	854.5	+5.5	—	.....
Cathodes				
Cash	845-.5	+6.75	850-1	+5
3 months	874.5-5	+5.5	878-9	+5.25
Settlem't	845.5	+5.5	—	.....
U.S. Prod.	—	—	*77-81	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £854.50, three months £881.00, 81.50, 82.00, 82.50, 82.00. Cathodes, three months £875.00. Kerb: Higher Grade, three months £882.00, 81.50. Afternoon: Higher Grade, three months £886.00, 85.50, 87.00, 86.50, 85.00. Cathodes, three months £879.00. Kerb: Higher Grade: three months £885.50, 86.00, 86.50, 87.00, 86.50, 86.00, 86.50. Turnover: 23,650 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
High Grade				
Cash	7110-90	+25	7110-20	—30
3 months	7290-5	—7.5	7225-40	—10
Settlem't	7190	+25	—	.....
Standard				
Cash	7105-10	+17.5	7110-60	+20
3 months	7220-5	+15	7225-30	+19
Settlem't	7110	+15	—	.....
Straits E.	$32.63	—0.01	—	.....
New York	—	.....		

Tin—Morning: Standard, cash £7,105, three months £7,220, 25, 20. Kerb: Standard. Three months £7,220. Afternoon: Standard, cash £7,105, 10, three months £7,220, 15, 20, 25, 30, 25, 30. Kerb: Standard, three months £7,220, 25, 30, 10, 7,200, 7,190. Turnover: 4,370 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	314-.25	+1.62	317-.5	+5.75
3 months	327-.5	+2	330-.5	+5.5
Settlem't	314.25	+2.25	—	.....
U.S. Spot	—	.....	*26-8	.....

Lead—Morning: Cash £313.00, 13.50, 14.00, 14.25, three months £328.00, 28.00, 27.00, 26.50, 27.00, 27.50, 27.00. Kerb: Three months £327.00, 27.50. Afternoon: Three months £330.00, 29.50, 29.00, 30.00, 30.50. Kerb: Three months £332.50, 31.00, 30.50, 30.00, 29.00, 28.50. Turnover, 22,300 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	410.5-1	+2.12	412.5-3	+4.25
3 months	416.5-7	+2.5	418-9	+4.37
S'ment	411	+2.25	—	.....
Primw'ts	—	.....	*35	.....

Zinc—Morning: Cash £410.50, three months £415.00, 15.50, 15.00, 16.50. Kerb: Three months £418.50. Afternoon: Three months £418.00, 19.00, 18.50, 18.25, 18.50. Kerb: Three months £419.50, 19.00, 18.50. Turnover, 14,225 tonnes.

Aluminium—Morning: Three months £560.50, 61.00, 62.00, 63.00, 63.50, 64.00. Kerb. Three months £564.50, 65.00. Afternoon: Three months £565.00, 63.50, 64.00. Kerb: Three months £563.0, 63.50. Turnover: 8,700 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	549.5-5.5	+8.25	542.5-5	+5.75
3 months	563.5-4	+8	563.5-4	+5

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	2935-40	+60	2925-35	—52.5
3 months	2890-5	+51.5	2988-90	+25.5

* Cents per pound. ‡ $M per kilo. † On previous official close.

Nickel—Morning: Three months £2,880, 90, 95, 3,000, 2,995. Kerb: Three months £2,985, 3,000. Afternoon, Three months £2,995, 3,000, 2,990, 80, 90. Turnover: 696 tonnes.

SILVER

Silver was fixed 4p an ounce higher for spot delivery in the London bullion market yesterday at 356.2p. U.S. cent equivalents of the fixing levels were: spot 663.0c, unchanged; three-month 688.5c, down 0.4c; six-month 711.9c, up 0.2c; and 12-month 761.7c, up 0.8c. The metal opened at 364-367p (664-667c) and closed at 367-370p (669-673c).

LME—Turnover 77 (75) lots of 10,000 ozs. Morning: Three months 377.0, 77.2, 77.0. Kerb: Three months 376.6. Afternoon, Three months 379.5, 81.0, 80.5, 80.7, 80.9, 81.0. Kerb: Three months 381.0, 80.3, 80.5, 80.2, 80.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	356.20p	+4.00	370.00p	+5.00
3 months	377.70p	+4.19	380.95p	+4.20
6 months	388.25p	+4.45	—	.....
12months	414.70p	+4.65	—	.....

COCOA

Futures continued to remain weak throughout a dull day for prices to close again at the lows. Actuals business remained scarce, reports Gill and Duffus.

COCOA	Yest'day's Close	+ or —	Business Done
May	925-28	—7.0	930-25
July	955-56	—6.0	964-56
Sept	981-82	—2.8	992-82
Dec	1019-20	—6.0	1051-60
March	1050-51	—6.5	1061-50
May	1070-71	—7.0	1070
July	1080-91	—4.5	1090

Sales: 1,577 (2,433) lots of 10 tonnes.

ICCO—Daily prices for May 14: 78.40 (78.72). Indicator price for May 17: 80.05 (80.56).

COFFEE

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1156-57	+0.5	1169-35
July	1146-43	+0.5	1150-58
Sept	1107-09	+0.5	1114-01
Nov	1088-89	—0.3	1096-83
January	1081-83	+6.6	1087-83
March	1070-74	—0.5	1074
May	1065-75	—	—

Sales: 1,885 (217) lots of 5 tonnes.

ICO Indicator prices for May 13: (U.S. cents per pound): Comp. daily 1979 121.87 (122.38); 15-day average 122.74 (122.77).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 365, 375, nil; Aug 391, 395, 393; Oct 403, 405, 408-403; Dec 406, 408, 410-406; Jan 408, 409, 412-409; Mar 418, 419, 421-418; May 427, 428, 429-427; Aug 438, 439, 440-438; Oct 438, 443, nil. Sales: 65.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). New Zealand cents per kg. May 564.0, 565.0, 570.0-564.0; July 551.0, 552.0, 554.0-550.0; Oct 525.0, 525.8, 525.0-524.0; Dec 527.0, 529.5, 528.0-527.5; March 531.5, 532.5, 533.0-531.5; May 535.0, 538.0, untraded; July 543.0, 544.0, 544.0; Oct 542.0, 543.0, untraded. Sales, 148.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
May	305.00	+7.00	305.00-96.00
June	301.25	+8.25	301.50-91.50
July	295.50	+6.00	297.00-89.00
August	297.00	+7.00	297.50-90.00
Sept	295.50	+4.25	297.00-92.00
Oct	298.00	+4.00	300.50-94.50
Nov	299.50	+3.00	—
Dec	301.00	+2.50	—
Jan	302.00	+6.50	—

Turnover: 3,054 (1,839) lots of 100 tonnes.

GRAINS

The market opened 15 down throughout the board. Old crop barley remained easier all day while wheat was bid up with shipper buying either side of lunch. New crops also traded easier all day in a 15p range. Shipper buying interest fell on the close on old crop wheat to close 5/10 up. Ach reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
May	120.20	+0.19	111.65	—0.55
July	123.20	—0.05	—	—
Sept	109.15	—	104.85	—
Nov	112.95	—0.05	108.75	—0.05
Jan	117.00	—0.05	116.70	—0.30
Mar	120.50	—	116.05	—0.05

Business done—Wheat: May 120.30-119.83, July 123.40-122.80, Sept 109.15-109.05, Nov 112.95-112.90, Jan 117.00-115.90, Mar 120.50 only. Sales: 240 lots of 100 tonnes. Barley: May 112.00-111.75, Sept 104.75 only, Nov 108.80-108.60, Jan 112.75-112.70, Mar 116.10-115.90. Sales: 110 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent end May, 110.50, June 110.00, July 108.00 transhipment East Coast. English Feed fob June 123.00 sellers East Coast. Maize: French May 137.00 transhipment East Coast. S. African White/Yellow June/July 88.00. Barley: English Feed fob May/June 117.00/17.50 sellers East Coast.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 123.40. Feed barley: Eastern 113.00, E. Mids 112.00, N. East 113.00, Scotland 114.40. The UK Monetary Coefficient for the week beginning Monday May 24 is expected to remain unchanged.

RUBBER

The London physical market opened steady, attracted good futures interest throughout the day and closed quiet. Lewis and Peat recorded a May fob price for No. 1 RSS in Kuala Lumpur of 228.00 (225.00) cents a kg and SMR 20 182.5 (181.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
June	55.50-55.89	54.00-54.50	58.20-55.00
July	55.30-56.40	54.80-54.90	58.50-55.28
Jly-Sept	56.00-56.20	54.50-54.70	57.30-55.10
Oct-Dec	57.40-57.60	56.20-56.30	58.20-56.70
Jan-Mar	59.30-59.40	58.20-58.30	60.20-55.70
Apl-Jne	61.00-61.10	60.00-60.10	62.00-61.00
Jly-Sept	62.70-62.80	61.70-61.80	65.00-62.70
Oct-Dec	64.50-64.70	63.50-63.70	65.20
J'n-Mch	66.30-66.40	65.20-65.30	67.40-65.00

Sales: 532 (290) lots of 15 tonnes, 28 (428) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 54.75p (53.50p); June 52.60p (51.75p); July 53.25p (52.75p).

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GRIMSBY FISH—Supply: fair. Demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£5.50, codlings £3.40-£5.00; medium haddock £3.70-£4.20, small £2.80-£3.20; medium plaice £5.50-£9.00, best small £4.70-£5.00; large skinned dogfish £7.00, medium £3.50; large lemon sole £9.00, medium £8.00; rockfish £2.80-£3.00; saithe £1.60.

GOLD MARKETS

Gold rose $3 an ounce from Thursday's close in the London bullion market yesterday to finish at $334¾-335¼. Trading was extremely dull and the metal moved between a low of $331¾-332 and a high of $335-335¾. However there was a rise to $339, after the close of business in London, in early New York trading.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	£ per troy ounce		
August	189.85-90.10	+3.125	131.00-86.50
Sept'mb'r	191.30-1.88	+2.925	—
October	193.30-3.85	+3.175	—
November	195.00-5.45	+3.125	—

Turnover: 490 (774) lots of 100 troy ozs.

	May 14		May 13	
Gold Bullion (fine ounce)				
Close	$334¾-335¼	(£185¾-184¼)	$331¼-332½	(£181½-182½)
Opening	$335½-338¼	(£188-182½)	$331¼-332½	(£180½-181½)
Morning fixing	$331.75	(£181.950)	$331.75	(£180.623)
Afternoon fixing	$333.25	(£189.553)	$331	(£181.025)
Gold Coins				
Krugerrand	$347-347¾	(£190-190½)	$341½-342¼	(£187¼-187¾)
1/2 Krugerrand	$178¾-179¾	(£98-98½)	$176-177	(£96½-97)
1/4 Krugerrand	$91-92	(£49¾-50½)	$89½-90½	(£49-49½)
1/10 Krugerrand	$37-38	(£20¼-20¾)	$36½-37½	(£20-20½)
Mapleleaf	$346½-347½	(£189¾-190½)	$341-348	(£187-187½)
New Sovereigns	$81½-59	(£44½-45)	$80¼-80¾	(£44-44½)
King Sovereigns	$94-96	(£51½-52)	$94½-95½	(£51½-52½)
Victoria Sovs	$94-95	(£51½-59)	$94½-95½	(£51½-59¼)
French 20s	$70-80	(£38¼-43¾)	$68-78	(£37¼-42½)
50 pesos Mexico	$414½-417	(£297¼-228½)	$406½-409	(£223¾-394½)
100 Cor. Austria	$329½-332	(£180½-188)	$325-325½	(£177-178¼)
$20 Eagles	$450-435	(£235¾-958¼)	$450-435	(£655¾-838½)

AMERICAN MARKETS

Precious metals and copper were very firm in short covering ahead of the weekend in anticipation of a Falkland invasion. Heating oil failed to hold early gains and finished mixed on long liquidation. Coffee sold off sharply on commission house profit taking. Sugar was marginally higher on light short covering. Cotton was under light pressure following a disappointing export report. The pork complex was strong reflecting positive cash fundamentals. Grains and soyabeans rallied on reports of dry conditions in the Eastern corn belt, reported by Heinold.

Copper—May 71.75 (71.20). June 82.35 (71.75). July 73.20-73.50. Sept 75.05-75.20. Dec 77.55-77.75. Jan 78.40. March 79.96. May 81.55. July 83.15. Sept 84.70. Dec 87.05. Jan 87.80. March 89.35.

Potatoes (round whites)—Nov 79.4 (78.5). Feb 89.7 (88.0). March 92.3-92.7. April 105.9-106.2. Sales: 52.

‡Silver—May 677.5 (663.0). June 680.7 (666.5). July 686.5-690.0. Sept 704.0-706.5. Dec 728.0-730.5. Jan 738.7. Mar 755.3. May 773.0. July 788.5. Sept 805.1. Dec 829.8. Jan 838.3. Mar 854.9. Handy and Harman bullion spot: 674.00 (665.50).

Sugar—No 11: July 8.20-8.24 (8.11). Sept 8.45-8.46 (8.41). Oct 8.65-8.68. Jan. 8.96. March 9.64. May 8.90-9.91. July 10.15-10.20. Sept 10.35-10.40. Sales: 9,201.

Tin—589.00-590.00 (591.00-592.00).

CHICAGO, May 14.

Lard—Chicago loose 22.00 (—).

Live Cattle—June 71.77-71.85 (71.57). Aug 68.82-68.90 (68.90). Oct 63.87-63.95. Dec 64.50-63.92. Feb 64.00-63.50. April 64.10.

Live Hogs—June 61.95-61.80 (60.72). July 62.25-62.15 (61.20). Aug 61.15-61.25. Oct 57.05-57.15. Dec 56.75-56.90. Feb 53.65-53.50. April 50.40. June 51.40. July 51.95.

‡‡Maize—May 269¾-269 (269¼). July 278-278½ (277¾). Sept 281¾. Dec 285¾-285½. March 298¼-299. May 305¼-306.

Pork Bellies—May 89.20-89.40 (88.37). July 87.50-87.80 (87.32). Aug 85.85-85.75. Feb 74.70-74.60. March 75.00. May 75.00. July 75.50. Aug 73.40.

†Soyabeans—May 663-663½ (656½). July 670-669 (663½). Aug 673¾-673½. Sept 674. Nov 677½-678. Jan 691. March 705.

‖Soyabean Meal—May 191.4-191.7 (190.8). July 191.8-192.0 (190.7). Aug 182.5-182.7. Sept 183.7-184.0. Oct 194.0. Dec 197.1-197.0. Jan 199.0-199.5. March 203.5-204.0. May 206.5-207.0.

Soyabean Oil—May 20.48 (20.12). July 20.95-20.93 (20.59). Aug 21.22-21.20. Sept 21.35. Oct 21.50-21.55. Dec 21.85. Jan 22.00-22.05. March 22.35. May 22.50.

§Wheat—May 349¾ (344¼). July 351½ (358½). Sept 375¾-375½. Dec 395¾. March 412¾-412.

Cotton—"C" Contract: May 140.50-141.00 (143.40). July 124.50-125.00 (127.74). Sept 119.00-119.50. Dec 116.20. March 112.00-113.00. May 110.65-111.50. July 112.00. Sept 113.00. Sales: 2,840.

*Gold—May 338.2 (331.5). June 339.5-340.5 (333.5). July 343.6. Aug. 347-348. Oct 355-355.5. Dec. 361.5-362.5. Feb. 369.5. Apl. 377.3. June 385.4. Aug. 393.4. Oct. 401.5. Dec. 409.9. Feb. 418.2. Sales: 30,000.

*Platinum—July 321-323 (308.7). Oct. 330-332 (317.4). Jan. 341.8. Apl. 352.3. July 363.3.

WINNIPEG, May 14

§Barley—May 130 (129). July 127.20 (126). Oct. 126.80. Dec. 128.20. March 130.20.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. § Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Thursday's closing price

††Cocoa—May 1631 (1635). July 1603 (1611). Sept 1643. Dec 1706. Mar 1765. May 1805. July 1838. Sales: 2,260.

Coffee—"C" Contract: May 143.40 (141.00). July 127.60-127.75 (127.75). Sept 120.01-120.70. Dec 117.00-117.25. March 113.25-113.65. May 110.30-111.00. Sales: 2,720.

Orange Juice—May 117.25 (119.00). July 120.50 (122.40). Sept 123.70. Nov 125.20-125.40. Jan 126.75-126.95. March 128.15. May 129.55-129.75. July 130.95-131.25. Sept 132.35-132.60.

Tin—591.00-592.00 (594.00-595.00).

CHICAGO, May 13

Chicago Imm Gold—June 333.5-333.3 (335.0). Sept 344.4-344.5 (345.8). Dec 355.5. March 366.8. June 378.2. Sept 390.1.

★

POTATOES

LONDON POTATO FUTURES—The market recovered some of yesterday's losses initially, but slipped back to unchanged to slightly lower midday. Lower volume than of late, closing steady with small gains, reports Coley and Harper. Closing prices: Nov 67.10 +0.60 (high 67.50, low 66.40); Feb 77.00, +0.40 (high 77.50, low 76.00); April 89.60, +0.60 (high 89.80, low 88.50); May 101.00, +1.00 (high 101.20, low 100.00). Turnover: 265 (527) lots of 40 tonnes.

APPOINTMENTS

McCorquodale Group changes

Within the McCORQUODALE GROUP Mr G. J. Burgess has been appointed financial director of Astra Games. Mr P. Boyd becomes marketing director of Associated Trapinex in addition to his main duties as joint managing director of Astra Games. Mr T. W. Mitchell has been appointed sales manager of Associated Trapinex. Mr C. W. Cuckson has been made a director of McCorquodale Colour Display (Manufacturing). Mr P. Aspinall has been appointed a director of McCorquodale GmbH.

*

Mr Derek J. Eldon joins the board of SECONDARY METALS as a commercial director from June 1.

*

Mr John Risk has been elected chairman of the national council of the ASSOCIATION OF BRITISH CHAMBERS OF COMMERCE in succession to Mr John Madocks. Mr Risk is secretary of Coats Patons and a director of J. and P. Coats.

*

Following the disposal of the Newman Industries interest in ADRIAN BALL AND ASSOCIATES (RADIO) Mr Peter Hughes, Mr John Leach and Mr Geoffrey Poulton have resigned from the board. The directors of Adrian Ball and Associates (Radio) are now Mr Adrian Ball and Ms Diana Wright.

*

Mr Francois Mayer will be retiring as a non-executive director of ROYAL WORCESTER at the end of June. Mr John D. Incledon will be joining the board as a non-executive director in July. Mr Mayer is managing director of RIT who own almost 26 per cent of the shares in Royal Worcester. Mr Incledon was for a period associated with RIT.

*

Mr Derek Taylor has joined the board of EXP-O-TEL.

*

Lord Soames has been appointed a director of UNITED BRITISH SECURITIES TRUST.

*

SCOTCROS has appointed Mr James M. McMillan as chairman from June 1. He retired recently from the Bank of Scotland, where he was joint general manager.

*

GOODFELLOW ASSOCIATES has appointed Mr Jean-Luc Chasscrot as engineering manager for the Aberdeen branch.

*

ARA SERVICES has appointed Mr Max Harris as marketing director. He was marketing director for the Frazer-Nash Group.

*

Mr Chris Dixon has been appointed director resident in the south east for NBP PROJECT MANAGEMENT.

*

Mr Daniel Meinertzhagen has been re-elected chairman and Mr John F. H. Baring, and Mr M. H. McAlpine have been re-elected deputy chairmen of ROYAL INSURANCE.

*

Mr A. Neill has been appointed joint deputy managing director of COMMERCIAL AND POLITICAL RISK CONSULTANTS, part of the Hogg Robinson Group.

*

Mr Garry Hawkes, managing director, Gardner Merchant, has been appointed to the company's parent board TRUSTHOUSE FORTE.

*

Mr R. B. Williamson, a managing director of Gerrard and National, has been appointed to the board of INTERCOMMODITIES. Mr Evelyn Wright, a former manager of The Union Discount Company of London, has been appointed a general manager of GNI, the recently formed company between Gerrard & National and Inter-Commodities.

*

Due to failing health, Mr Eric Raquet will be retiring early as a director of CROUCH GROUP. He will be replaced as managing director of the Crouch Homes subsidiary by group marketing director, Mr Tony Longman, from July 1. From October 1, Mr Tony Stephenson, managing director of Crouch Construction is appointed to the main board of Crouch Group.

*

PEGLER-HATTERSLEY has appointed Mr L. Elkington, Mr J. B. P. England and Mr D. S. W. Lee to the board. Mr Elkington and Mr England will continue as managing directors of the group's building products and distribution divisions respectively; Mr Lee, who will be a non-executive director, is a director of Arthur Lee & Sons, Sheffield, and the Halifax Building Society.

*

BURNETT & HALLAMSHIRE HOLDINGS has appointed Mr A. R. Barker as joint managing director of The Mining Investment Corporation, parent company of B & H's mining division. Mr Barker, who was managing director of John Blackwood Hodge, will head the coal trading activities of Mincorp.

*

Ms Valerie Cutmore has been appointed a director of CMU, member of the Edman communications group.

*

BUNZL has made board changes at Fay International, a subsidiary involved in marketing paper products. Mr Richard Parnell, previously joint managing director, becomes executive chairman; Mr Derek Roach becomes managing director, and Mr Alex Jarrett is appointed director with responsibilities for marketing. These changes follow the resignation of Mr Pat Conway, joint managing director.

*

Mr M. R. N. *Moore* a non-executive director has resigned from the board of BARKER & DOBSON GROUP.

*

Following the retirement of Mr G. Balint, Mr T. J. More and Mr W. J. Smith, appointments have been made to the board of HURST GUNSON COOPER TABER: Mr E. D. Bremner (managing); Mr D. N. Dow; Mr B. G. Helyar, (production); Mr D. W. J. Buckley (sales); Mr M. Stewart (export); Mr B. N. Lock (cereals); Mr C. J. D. Orchard (finance); Mr B. C. Palmer (garden pride) and Mr K. W. W. Potter (herbage). Mr A. D. Andrews now takes over as chairman in place of Mr Balint. Mr L. J. Beaven and Mr K. W. W. Potter have been appointed to the board of Finney Lock Seeds.

*

Mr Michael Howroyd, managing director of Newcastle-based UBM Wares has been appointed to the board of UBM MERCHANTS.

*

Mr John Allan has been appointed to the new post of director of marketing at NORTH THAMES GAS.

*

Dr John Padbury and Mr Paul Knight have been appointed associate directors of GROSVENOR STEWART.

*

Mr Peter Thompson, divisional executive of the science and engineering operations division, British Technology Group, has been appointed a director of Motors — now restyled Bull Electric — was acquired by the NEB in 1977.

*

The GAUGE AND TOOL MAKERS' ASSOCIATION has appointed Mr F. A. Mercer, of Thomas Mercer, president in succession to Mr V. H. Sharp, of Novogage. Mr J. J. Harvey, of J. J. Harvey (Manchester), and Mr P. D. Edwards, Yorkshire Precision Gauges, were appointed senior and junior vice-presidents respectively and Mr Harvey becomes chairman of council. Appointed as honorary treasurer is Mr P. M. Hall, High Speed Service Tools. Mr A. Goldman, of Leytool, has been appointed an honorary vice-president.

*

Mr R. A. Mills has been appointed a director of THE HINTON HILL GROUP and of its Lloyd's broking subsidiary company, Hinton Hill & Coles.

*

Mr Sand Hook has been appointed a director of AQUA LOGISTICS (INTERNATIONAL), subsea engineering member of the Capper Neill Group.

*

Mr B. J. Stanfield, currently legal director, has additionally been appointed company secretary of WATNEY MANN & TRUMAN HOLDINGS, Watney Mann & Truman Brewers, and Watney International. He succeeds, as company secretary, Mr A. H. Fewell, who *is retiring*.

*

Mr John H. Vogel has resigned from the board of NATIONAL WESTMINSTER BANK in view of his impending retirement as chairman of the National Bank of North America, a wholly-owned subsidiary of National Westminster.

CONTRACTS

£3m work for Herbert Morris

HERBERT MORRIS, Loughborough, has been awarded two contracts, totalling nearly £3m, for container handling at the Port of Felixstowe. One contract is for four of the new Morristac container stacking gantries. Three of the gantries will be used to increase the capacity of the Dooley Terminal and one will be added to the Landguard Terminal. The second contract is for two rail-mounted, transfer cranes, to be installed at a rail terminal, currently under construction, in the Port's northern extension.

*

The Irish Minister for Transport, who is responsible for the provision of telecommunications facilities for international air transport movements on the North Atlantic routes, has placed the contract for *upgrading* the HF radio services at Shannon Aeradio, Ballygirreen, with RCA. The contract, valued at about £1.7m, includes 22 transmitters, 27 receivers, 21 antennae, 10 operating consoles, civil works, installation and commissioning.

*

PHILIPS' data processing division has a second order from the Royal Bank of Scotland, for back-office printers, valued at £1.64m. The printers will initially log all branch accounting transactions, and in the near future, will also be used for production of general correspondence, customer statements, and account information for managerial reference. The printers will be installed in all 500 branches of the bank.

*

The National Coal Board has placed orders worth a total of £1.3m with HENRY BOOT. At Maltby Colliery shaft tower Henry Boot Civil Engineering is to construct the shell of the No. 3 shaft tower winder airlock which is 24 x 24.25 metres overall x 66.7 metres high. Strip reinforced concrete foundations are to sit partly on two existing mass concrete foundations, and the tower will be of slipformed concrete 300 mm cellular wall construction with the formation of a variety of openings. This work is to be completed within 22 weeks. Reconstruction at Kellingley Colliery includes civil works to conveyor foundations, reclaim hoppers and surfacing in the stackout and reclaim area. Project work on the 26 week contract has started.

*

SERCK CONTROLS, Coventry, a member of the BTR Group, has won six contracts totalling over £5m, £3m of which is for direct export. Three of the contracts are for offshore oil and gas production supervision, including a complex £1.75m computer network to operate in the South China Sea off Borneo. A similar system, worth £500,000 will be installed in the Danish sector of the North Sea, while in the Arabian Gulf, offshore Abu Dhabi, £250,000 of Serck SCADA will supervise secondary recovery of oil by water injection. Three onshore projects include a £2m heirarchical mini/micro computer scheme for Shell Expro to supervise the St. Fergus gas processing plant in Scotland. A £500,000 system will monitor an Oman desert oil field and £250,000 of equipment will extend the telemetry capabilities on an existing crude oil pipeline in Zazachstan, USSR.

*

As part of recent orders from South East Asia totalling over £300,000, A. JOHNSON AND COMPANY (LONDON) is to supply a complete margarine plant and refrigeration system to the main Indonesian supplier of palm oil. In addition to the hardware for the plant, under construction in Northern Sumatra, A. Johnson has given advice and assistance on the formulation of margarine, shortening and ghee products, for both the domestic and export markets. Wherever possible, system components such as tanks and vessels are being produced by local manufacture, using specialised fittings and *manufacturing drawings supplied by A. Johnson*.

*

PEABODY HOLMES has won an order, valued at about £250,000, to supply positive displacement exhausters for use on grain handling plant in Portugal. The order was placed by Simon Carves, Stockport, who will install the machines on pneumatic grain unloading equipment for operation on the dockside at Trafaria, Port of Lisbon. The pneumatic grain unloaders, designed and supplied by Simon Carves, are self-traversing steel towers mounted on quayside rails. Each tower, which has two suction nozzles and intake pipes, contains all the necessary machinery and components, including automatic weighing equipment. When in operation, the three pneumatic discharge towers *will unload vessels at the* rate of 3,000 tons per hours.

*

The Civil Aviation Authority has placed a £242,000 contract with THORN EMI DATATECH (formerly SE Labs (EMI)) for a high technology magnetic tape recording system to be used in storing air traffic control radar data. This will be located at Prestwick, Scotland, to provide the CAA with facilities for maintaining round-the-clock recording of its radar display information. The recorder can record and reproduce 48 different channels of data. The CAA has been using a similar system for the past four years at its West Drayton, Middlesex, air traffic control centre.

*

John Poland and Company, managing agents for a group of Lloyd's underwriting syndicates, has ordered a Rediffusion R1800/30 compact office system—contract value £64,000. This new 14-terminal system will replace Data Logic on-line terminals.

February Automation, a bureau in South London, has ordered a Rediffusion R1800/30 compact office system worth £42,000. The new minicomputer will initially be devoted to doing a variety of development work for business application packages.

Albany Life Assurance Company has installed an R1800/30 compact office system—contract value £34,000. The system replaces ICL 7502 machines and will be used for data capture, with clean data being output to magnetic tape for the company's ICL 2946 mainframe.

*

DAN-SMEDVIG, Aberdeen, has been awarded the drilling services contract, described as "multi-million pound," for the Hutton tension leg platform. The contract, which initially runs for three years, was awarded by Conoco (UK) on behalf of the Hutton unit partners. The contract involves assistance during the fabrication, hook-up and commissioning phases of the Hutton drilling facilities as well as the offshore completion of the predrilled wells and drilling of the remaining development wells. Dan-Smedvig will also run and pull the tethers required for mooring the platform.

*

At the Shell Scotland gas project, Mossmorran, Fife, it has been decided to *instal extensive* weather protection over the main process modules to create temporary shelter while construction work proceeds over the next two years. The contract has been awarded to a subsidiary company of Maclean-Quin Plant, PLET-TAC UK, a Glasgow-based company which specialises in weather protection for petrochemical and construction sites. The contract is valued at "several hundred thousand pounds." At Mossmorran, the area to be covered totals some three and a half acres. To cover the modules, the weather protection shelter reaches a height of over 60 ft.

*

JOSEPH NADIN CONTRACTING has won further thermal insulation work on the Shell Chemicals higher olifines plant project at Stanlow.

Thames Water Authority has awarded a contract to WESTCODE SYSTEMS for a computer-based automation and process control system, for its Witney sewage treatment works, Oxon. Westcode Systems is a subsidiary of Westinghouse Brake and Signal Company, a Hawker Siddeley company.

Stock Exchange dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution; but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

READERS' attention is drawn to the notes under the heading at the top of the page pointing to the changed presentation of business done. From today, the details are limited to securities not in the FT Share Information Service. The feature thus provides a source of information on prices of fixed interest and other stocks not otherwise available.

CORPORATION AND COUNTY STOCKS

UK PUBLIC BOARDS

COMMONWEALTH GOVT

COMMONWEALTH CRPN

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—Foreign

BANKS, DISCOUNT

BREWERIES

Whitbread Invest 110

COMMERCIAL INDUSTRIAL

A—B

A.C. Cars (50) 45⊕

AE PLC 11pc $1.88 £79. 8pc 85/94 £50½⊕

AECI (R2) 23

AIM Grp (10p) 188 3 70

Bevec Grp. 5pcLn. 62/97 £45½⊕

Berwick Timpo 5½pcPf. (£1) 27 (7/5)

Bibby (J.) and Sons 8pcLn. (£1) 42 ½ 3½

Birmid Qualcast 7½pcLn. 87/92 £30½ (12/5)

Blackett Hutton Hldgs. 5½pcPf. (£1) 33 (7/5)

Blackwood Hodge 9pcLn. 85-90 £66

Blue Circle Inds. 5¼pc2ndDb. 1984/2009 £41¾ 2¼ 6pcDb. 88-93 £86 (7/5). 7pcDb. 88-93 £64. 9pcDb. 92-97 £71. 18¼pcDb. 94-99 £75¾. 6¼pcLn. 1975 or aft £42½⊕

Boardman (K. O.) Intnl. 5½pcPf. (£1) 26 (12/5)

Booker McConnell 4.2pcPf. (£1) 36 (7/5)

Boosey and Hawkes 5½pc1stPf. (£1) 43 (12/5)

Boot (Henry) and Sons CumPf. (4.2pc) (£1) 31 (7/5)

Boots 6pcLn. 78/03 £91. 7½pcLn. 88-93 £62½⊕

Bowater Corp. 5½pcPf. (£1) 39. 3½pcDb. (1997) £52½ (7/5). 7pcLn. 92-97 £92 3

Bowthorpe Hldgs. 7pcLn. 90/95 £52 (10/5)

Braime (T. F. and J. H.) (Hldgs.) A NV 42 (11/5)

Brldon 5pcDb. 88/93 £68 (12/5). 10¼pcDb. 91/98 £78 (12/5)

Bright (John) Grp. 6pcLn. 66/93 £53

British Aluminium 8pcPf. (£1) 30 (11/5)

British-Am. Tobacco 5pcPf. (£1) 37 ½ 8 (12/5). 6pc2ndPf. (£1) 43 4 ½ (12/5). 7pcLn. 82/87 £84½ (10/5)

British Amer. Tobacco Invest. 10pcLn 90/95 £80. 10½pcLn. 90/95 £79¾ 80¼

British Electric Traction 8pcPf. (£1) 54 (10/5)

British Home Stores 7pcPf. (£1) 44. 7¼pcDb. 94/98 £60 (11/5). 9pcLn. 1992 £121 ½ 2 3

British Printing and Com. Corp. 4.2pcPf. (£1) 38 (7/5). 5.5pcPf. (£1) 45½ (7/5). 7.5pcPf. (£1) 46 (12/5). 7.75pcPf. (£1) 44½ ½

British Shoe Corp. Hldgs. 8½pcPf. (£1) 47 (10/5). 6½pcPf. (£1) 47½. 7pcDb. 80-82 £99 (12/5). 7pcLn. 85/90 £65

Brooke Bond Grp. 5¼pcDb. 80/85 £80½. 5¼pcLn. 2003/08 £39 ½. 7pcLn. 2003/08 £50½. 7½pcLn. 2003/08 £58 (12/5)

Brown Boveri Kent 4½pcPf. (£1) 22 (12/5)

Brown Bros. Corp. 6½pcLn. 90/95 £60¼ (10/5)

Brown (John) 5¼pcLn. 98/2003 £40½⊕

C—D

Cohen (A.) A (20p) 250 (11/5)

Collins (Wm.) Sons 8pcDb. 1993-96 £48 (10/5)

Comben 7½pcLn. 1992-97 £64 (12/5)

Combined English Stores 7½pcPf. (£1) 42. 8½pcLn. 1986-91 £50½

Cook Watts 9½pcLn. 1987-92 £63½ (12/5)

Cope Allman Internatl. 7½pcLn. 1971-96 £64 3

Corning 7pcDb. 1971-88 £80 (10/5)

Courtaulds 6pc2ndPf. (£1) 34½⊕. 7½pc Db. 1989-94 £63¼ ½. 5½pcLn. 1994-1996 £45. 6½pcLn. 1994-96 £48 58 1. 7¼pcLn. 1994-96 £53½ 8. 7½pcLn. 2000-05 £55

Cowan de Groot 10½pcPf. (£1) 80⊕

Cowie (T.) 10½pcPf. (£1) 61 (12/5)

Croda World Traders 7pcPf. (£1) 43 (7/5)

Cropper (James) 6pcLn. 1994-99 £36 (12/5)

Crosby House 10pcLn. 1987-90 £125 (10/5)

Crosby Woodfield 10pcPf. (£1) 66 (11/5)

Crouch 9pcLn. 1993-96 £74 5 (12/5)

Crystalate 9¼pcLn. 1999-2000 £190

Cullen's Stores 5pcPf. (£1) 56½ (10/5)

DRG 7¼pcLn. 1986-91 £65½

Dalgety 4.65pcPf. (£1) 50⊕. 6pcLn. 1982 £98 (10/5)

Dart Kraft ($2.50) £26¼ (11/5)

Davenport Knitwear (10p) 262 5 (12/5)

Davies Metcalfe (10p) 52½⊕

Dawson Internatl. 10¼pcDb. 1990-95 £83¼ ½ (12/5)

Deanson (10p) 20 (12/5)

E—F

G—H

I—J—K

L—M

Lloyd (F. H.) Hldgs 7¾pcLn 81-81 £54⊕

London Midland Indust 6½pcDb 89-94 £66 76 (7/5/82). 8¼pcLn 82-88 £60 (7/5/82). 6½pcLn 88-91 £106 (11/5/82)

London Brick 14pcLn 1994 £174 5 7

Lonrho 7½pcDb 86-91 £62¾ (10/5/82). 10¼pcDb 97-2002 £75¼ (12/5/82). 9pc Db 87-92 £66. 12¾pcDb 85-90 £83½ (16/5/82). 6½pcLn 80-83 £92½ (11/5/82). 8½pcLn 81-84 £83 90 (12/5/82)

Lonsdale Universal 7pcPf (£1) 52 (11/5/82)

Low Bonar 12½pcLn 1982 £92 (10/5/82)

Lucas Industries 7¾pcLn 83-88 £72 (12/5/82). 10¼pcLn 92-97 £75¾ (12/5/82)

MK Electric Gp 7¼pcLn 86-91 £63 (11/5/82)

ML Hldgs 6¼pcDb 86-93 £76½ ¾

MY Dart Dfd (10p) 16

Macpherson (Donald) Gp 7¼pcLn 86-94

N—O—P

Q—R—S

T—U—V

W—Y—Z

OIL

MINES—Miscellaneous

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

PROPERTY

Eglinton Oil and Gas

INCLUDING an unrealised foreign exchange gain of I£133,000, against I£18,968, the taxable surplus of Dublin based Eglinton Oil and Gas was up from I£30,222 to I£114,942 in 1981.

Mr Naill O'Connor, chairman of this oil and gas prospecting and production company, says its policy has been to centre on proven areas of hydrocarbon production in the U.S. to give early cash flow for a sound, long-term base for further development. Group income from the sale of oil and gas was £34,000.

An improvement in proven oil and gas reserves over the year bids well for the prospect of increasing production income in 1982, he adds.

Tax took £18,838 (£9,707) and there were extraordinary credits of £76,906 (nil) consisting of profits on the sale of investments of £158,479 less attributable tax of £47,544 and expenses of £34,209.

At the year end shareholders' funds amounted to £1.39m (£682,190), oil and gas properties were valued at £1.12m (£549,662) and net current assets came out at £244,130 (£100,519). During the year there was an increase in net liquid funds of £259,868 (£117,489) and a decrease in working capital of £49,857 (£7,263).

Meeting: Dublin, May 27, 11.30 am.

Cattle's sees 'good year'

Mr Roy Waudby, chairman of Cattle's (Holdings) told shareholders at the annual meeting that the setback in 1980 followed by a year of consolidation has given the group the base to move forward and realise its potential.

"I am not making rash forecasts about 1982," he says, "but we are all reasonably confident that we can look forward to a good year followed by a very good 1983."

هكذا من الأصل

Central & District Properties 6pcLn 1997/1899 £57
Centrovincial Estates 5¼pcLn 1966/93 £50½ (10/5)
Churchbury Estates 8pcLn 2000 £58½ (12 5). 6.4pcLn 1985 £196 (12/5). 8pc Ln 1987 £198½ 0 ¾ (12/5)
City Acre Property Investment Trust 10.2pcDeb 1991/90 £75¼ ½ ¾ (12/5)
Coman (E. Alec) Investments 8pcLn 1991/1996 £50 3 (12/5)
Commercial (Stewart & Ardern) Prop 6½pc Deb 1983/88 £66
Comoco Hldgs (20p) 205 (10/5)
Country & New Town Properties (10p) 44½ 5
English Property Corp 9½pcDeb 1997/2002 £71¼ (11/5). 7pcLn 1998 2003 £44 (7/5). 12pcLn 2000-05 £90½
Euston Centre Properties 10.4pcDeb 1992/1997 £77
Ewart New Northern (£1) 210 (12/5)
Five Oaks Investments 7pc2ndPrf (£1) 32
Hales Properties Group 125 (12 5)
Hammerson Prop & Invest Trust 580
Haslemere Estates 9pcLn 2001/06 £109 ½. 9½pcLn 1990-95 £166 (12/5)
Heron Corp 10¾pcDeb 1996/2001 £76½ (7/5)
House Property Co. of London (50p) 170 (11/5)
Land Securities Invest Trust 6¼pcDeb 1979/83 £91½. 7¼pcDeb 1991/90 £50¼. 9pcDeb 1996/2001 £67¼ (12/5). 0½pcLn 1992/97 £54 ½. 5½pcLn 1983 £275. 0¼pcLn 1985 £220 (12/5)
Law Land Co. 7pcDeb 1989/94 £59½0. 7½pcDeb 1986/91 £85 (11/5)
Lewis (John) Properties 4pcDeb 1971/85 £77¼ (12/5)
London County Free & Leas Prop 7½pcDeb 1992/96 £85½ (12/5)
London Shop Property Trust 5½pcPrf (£1) 33½0
MEPC 4½pcPrf (£1) 31 (12/5). 9¼pcDeb 1997/2002 £72 (12/5). 8pcLn 2000-05 £50½. 0½pcLn 1995/2000 £70½ 1 ½
Mucklow (A. & J.) Group 13¼pcDeb

S'hampton, IOW SOE RM Steam Pkt. (50p) 213 (12/5). 5pc Prf. (£1) 30½ (10/5)

UTILITIES

Alliance Dublin Consumers' Gas 4pc Db. (£1) £18 (11/5)
Calcutta Elect Supply Corpn.(India)(Rr10) 43. 7½ pc Prf. (Rr10) 21
Manchester Ship Canal 5pc Prf. (£1) 17½ (11/5). 3½pc Db. £20½ (12/5)
Mersey Docks Harbour Comb. Units 13. 3¼pc Db. 1975/84 £72½ (12/5). 3¾pc Db. 1979/89 £27 (12/5). 6½pc Db. 1994-97 £28 (10/5). 6¼pcDb. 1896-99 £27. 3¾pc Db. £10½ (11/5)
Milford Docks 3½pc Db. £23 (10/5)
Southern California Edison (S8⅓) £33½ (10/5)

WATER WORKS

Bristol Waterworks 4.9pc (Formerly 7pc Max) £44 (10/5). 3.5pc (Formerly 5pc) £30. 3.5pc (Formerly 5pc) Prf. £32 (12/5). 4.025pc (Formerly 5¾pc) Prf. 1983/86 £72 (11/5)
Cambridge Water 4.55 (Formerly 6½pc) Prf. 1982/84 £83½ (11/5). 7¼pc Db. 1988/90 £67½ (11/5). 9¼pc Db. 1992/1997 £67 (12/5)
Chester Waterworks 3.15pc (Formerly 4½pc) Prf. 1979/84 £01 (11/5)
Colne Valley Water 4.55pc (Formerly 6½pc) Prf. 1982/87 £70½ (12/5)
East Anglian Water 4.2pc (Formerly 6pc) Prf. 1982/03 £80 (12/5)
East Anglian Water 7¼pcRdDb 1991/92 £61 (7/5)
Eastbourne Waterworks 4.2pc (Fmly. 6pc) RdPf 1965/67 £69. 5.6pc (Fmly. 8pc) RdPf 1986/66 £72½ (11/5)
Essex Water 3.5pc (Fmly. 5pc) Cons. £330. 3.5pc (Fmly. 5pc) Pf. £33½. 3.85pc (Fmly. 5½pc) Pf 1961/83 £87 (11/5). 4.2pc (Fmly. 6pc) Pf 1984/86 £73½ 4 (12/5). 4pcPerpDb £25 (7/5). 7pcDb 1987/89 £03¾ (12/5). 7¼pcDb 1991/93 £58. 10pcDb 1992/94 £72 (12/5)
Folkestone Dist. Water 4.9pc (Fmly. 7pc) Max. New £10 400

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

Kenmare Oil Expl (Ir£0.25) 0
AOG 63@ (7/5)
Aberfoyle 320
Acmex 40 (11/5)
Alliance Oil Devpt Aust 75 6
Allstate Expl 17 (12/0)
American Cynamid £15@ (7/5)
American Home Products £20⅛@
Ampol Expl 91 (12/5)
Anglo Utd Devpt 36 (10/5)
Apex Oil (A$0.25 pd) 7½ 9 (10/5)
Ashton Mining 50 (12/5)
Atlantic Richfield £22⅞
Australian Cons Mins 20@ 20
Australian Guarantee Corp 130 (11/5)
Australian Nat Inds 100@ (12/5)
Aust Oil and Gas 03@ 7 (7/5)
Avnet Inc £25¼ (12/5)
BP Canada £13⅞ (12/5)
Barrier Expl 9½ (12/5)
Basic Res Intnl 138
Basin Oil 62 3
Beach Pet 25 (12/5)
Berjuntai Tin Dredging (Berhad) 173
Boral 140 7
Brambles Ind 140
Bridge Oil 173 5 (11/5)
Bristol Myers £32⅞ (7/5)
Bukit Sembawang Ests 93 6 (12/0)
Buttes Gas and Oil 875
Canon Inc 200 ½
Carnation 17½ (11/5)
Castlemaine Tooheys 222
Central Norsman 271@ 5 (12/5)
Cheung Kong 170 4 (11/5)
Cities Service £19¾
Cluff Oil Australia 32
Cluff Oil Opts 20@ (12/5)
Coca-Cola £19 (12/5)
Coles (G. J.) 125 9 (10/5)
Conex Australia 2¾ (12/5)
Cons Res 3 (10/5)
Coseka 252
Crusader Oil 272
Cullinton Lake Gold Mines 342 (7/5)

Noranda Mines 660 (12/5)
Oakbridge 62
Oil Co of Aust 33@ ½@ 14½@ ½ 9½ (12/6)
Oil Search 6½ ½ 9¼
Otter Expl 21 (12/5)
Overseas Chinese Banking 225 34
Overseas Trust Bank 60 ½ 1 2 (10/5)
Pall Corp £15¼ (11/5)
Pancontinental Pet 26 (12/5)
Pancontinental Pet Opts 17½
Panpacific Pet 0½
Pechiney Ugine Kuhlmann FFr 127.4 (10/5)
Penn Central 15¾ (12/5)
Pepsico Inc £21¾

Yelverton Invs 35 7

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Celtic Basin Oil (£1) 190 5

(By permission of the Stock Exchange Council)

Malaysian Tin (5p) 47 (12/5)
Marrydown Wine (25p) 76 9
Metal Bulletin (10p) 117 ½ (11/5)
Microfilm Reprographics (10p) 64 6
Midland Marts Grp. (25p) 65 (12/5)
New Court Nat. Rescs. War sob 5
Teleo. Sth. 14-20pcSubUns.Ln. 1986/88 £96½ 7 6 (10/5)
Thorpac Grp. (5p) 63 (11/5)
Utd. Friendly Insce. 6 (Rest Vtg) (10p) 205 8

Exeter Bldgs. Cons. Grp. (50p) 201 2 (7/5)
Fuller Smith Turner A (£1) 460 (7/5)
Lndn Contl. Advert Hldgs. (5p) 19½ (12/5)

Cosin Rico Railwny (£1) 55 (10/5)
Kahetian Railway 4½pc Bds. 1912 £5½ (12/5)
Kokand-Namangan Railwny 4½pc Bds. £5½ (12/5)
Ontario Quebec Railway 5pc Ob. £35½ (12/5)
Quebec Central Railway Ob. £34½ (11/5)
Troitzk Railwny 4½pc Bds. £4½ 5½ (12/5)

SHIPPING

Caledonia Invests. 6pc Db. 1980/85 £01
Peninsular Orient Steam Nav. 5pc Prf. £37½ 8 (12/5). 3½pc Db. £25 (1/5)

MONEY MARKETS

UK clearing bank base lending rate 13 per cent (since March 12)

Interest rates rose slightly in London yesterday, reflecting nervousness ahead of the weekend with the market feeling that time for a diplomatic solution to the Falkland Islands crisis may be running out. Period rates in the interbank market were generally one eighth of a point firmer while eligible bank bills showed a similar rise. However, the average rate at the weekly Treasury bill tender continued to decline and was set yesterday at 12.5023 per cent down from 12.6180 per cent the previous week.

The Bank of England forecast a shortage of around £450m in the money market, with bills maturing in official hands accounting for £86m and the unwinding of previous sale and repurchase agreements a further £141m. Banks' balances were brought forward some £60m below target and the note circulation rose by £180m. On the other hand Exchequer transactions added £100m to the system. The authorities gave assistance in the morning of £388m. This comprised purchases of eligible bank bills, £84m in band 1 (up to 14 days) at 13¼ per cent, £136m in band 2 (15-33 days) at 13 per cent, £149m in band 3 (34-63 days) at 12⅞ per cent and £19m in band 4 (64-84 days) at 12¾ per cent.

Further help was given in the afternoon of £60m, making a grand total of £448m. The afternoon help was made up of purchases of eligible bank bills, £10m in band 1 at 13¼ per cent and £50m in band 3 at 12⅞ per cent. Discount houses were paying up to 13½ per cent for secured call loans with some balances taken down to 10 per cent. In the interbank market weekend money opened at 13¼-13½ per cent and rose to 13¾-14 per cent before falling away in the afternoon to 11 per cent.

In New York trading was generally quiet ahead of the money supply figures. Federal funds were trading between 14¼ per cent and 14⅜ per cent with no apparent intervention by the Federal authorities. Industrial production figures and the Producer Price Index were broadly in line with market expectations and had little effect on trading.

CURRENCIES

Sterling was generally steady in currency markets yesterday ahead of the weekend. Trading was mostly thin bearing in mind continuing uncertainty over the Falkland Islands crisis. Sterling's index was unchanged from Thursday at 90.4, a level held at all three of the day's calculations. Against the dollar it opened at $1.8230 and sank to a low of $1.8140 just after lunch. It recovered to $1.8280 later in the afternoon and was quoted on a 20 point spread for a time, indicating how unsettled the market was. It closed at $1.8245-$1.8255, a rise of just 10 points. Against the D-mark it rose to DM 4.21 from DM 4.19 and SwFr 3.55 from SwFr 3.5575.

The dollar was slightly firmer but finished below the best level of the day. Against the D-mark it rose to DM 2.3060 from DM 2.2955 and SwFr 1.9440 from SwFr 1.9360. The dollar was helped by expectations of a rise in U.S. money supply although this did not stop it falling against a very strong Japanese yen to Y235.0 from Y235.25. The dollar's index rose to 112.8 from 112.4.

THE POUND SPOT AND FORWARD

May 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8140-1.8280	1.8245-1.8255	0.27-0.37c dis	−2.10	0.70-0.80dis	−1.64
Canada	2.2440-2.2600	2.2575-2.2585	0.60-0.70c dis	−3.45	1.50-1.60dis	−2.74
Nethlnd	4.65½-4.69½	4.67-4.68	2-1½c pm	4.49	5-4½ pm	4.06
Belgium	79.20-79.80	79.55-79.65	25-35c dis	−4.52	65-75 dis	−3.52
Denmark	14.21-14.29	14.27-14.28	8¾-9¾ore dis	−7.62	21-22½ dis	−6.09
Ireland	1.2110-1.2210	1.2150-1.2160	0.62-0.76p dis	−6.81	1.90-2.08dis	−6.56
W. Ger.	4.19-4.22	4.20½-4.21½	1⅞-1⅞pf pm	4.63	4¾-4¼ pm	4.27
Portugal	127.50-129.00	128.35-128.85	110-395c dis	−23.56	325-1015dis	−20.84
Spain	186.75-187.76	187.40-187.60	60-85c dis	−4.64	215-255 dis	−5.01
Italy	2333-2348	2344-2346	19-22 lira dis	−10.49	59½-63½dis	−10.49
Norway	10.81-10.88	10.86½-10.87½	5½-6½ore dis	−6.62	11½-12½dis	−4.41
France	10.95-11.02	10.99½-11.00½	10-14c dis	−13.09	26-30 dis	−10.18
Sweden	10.48-10.55	10.52-10.53	½ore pm-½ dis	0.21	⅛ pm-⅜ dis	0.05
Japan	427-433	428½-429½	2.50-2.15y pm	6.50	6.65-6.30 pm	6.04
Austria	29.55-29.70	29.65-29.70	14⅞-11gro pm	5.10	34-27½ pm	4.14
Switz.	3.52½-3.56	3.54½-3.55½	3⅞-3⅛c pm	11.41	8⅞-8⅛ pm	2.72

Belgian rate is for convertible francs. Financial franc 87.75-87.85. Six-month forward dollar 1.26-1.36c dis. 12-month 2.05-2.25c dis.

EXCHANGE CROSS RATES

May 14	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
Pound Sterling	1	1.825	4.210	429.0	11.00	3.550	4.675	9345.	2.252	79.60
U.S. Dollar	0.548	1.	2.307	235.1	6.027	1.945	2.562	1285.	1.237	43.22
Deutschemark	0.232	0.433	1.	101.9	2.613	0.843	1.110	557.0	0.536	18.81
Japanese Yen 1,000	2.331	4.254	9.814	1000.	25.64	8.275	10.90	5466.	5.263	186.5
French Franc 10	0.909	1.658	3.827	390.0	10.	3.227	4.250	2132.	2.063	72.38
Swiss Franc	0.282	0.514	1.186	120.8	3.099	1.	1.317	660.6	0.636	22.42
Dutch Guilder	0.214	0.390	0.901	91.76	2.353	0.759	1.	501.2	0.483	17.03
Italian Lira 1,000	0.425	0.778	1.795	182.9	4.691	1.514	1.994	1000.	0.963	33.94
Canadian Dollar	0.443	0.808	1.864	190.0	4.872	1.572	2.070	1038.	1.	35.25
Belgian Franc 100	1.256	2.893	5.289	538.9	13.82	4.460	5.873	8946.	2.837	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

May 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	13¼-13½	14⅞-15⅛	16-17	8 13/16-9 1/16	1¼-1¾	8⅝-8¾	24-22	18½-20½	14¼-15¼	15¼-15½	5¾-7	20¾-21⅛
7 days' notice	13⅛-13⅜	14⅞-15⅛	16-17	8-9¼	1¼-1¾	8½-8⅝	24-28	20¾-22¾	18½-20	15⅛-15¼	6⅛-7	20¾-21⅛
Month	13⅛-13¼	14¾-15	16-16⅝	8⅞-9	2 1/16-2 9/16	8 9/16-8 11/16	24½-25½	22⅛-24⅞	16½-18	14⅞-15	5 13/16-6 3/16	20⅛-21½
Three months	13⅛-13¼	14½-14¾	15½-15⅞	8¾-8⅞	3 1/16-3 5/16	8 9/16-8 11/16	22¾-23¾	23⅜-24	15-17	14¾-14⅞	5 13/16-7 3/16	20⅛-21½
Six months	13⅛-13¼	14 7/16-14 11/16	15½-15⅞	8 11/16-8 13/16	4⅜-4½	8½-8⅝	22-23	23⅜-24	16-16½	14⅝-14¾	7-7⅛	18¼-19⅝
One Year	13 5/16-13 7/16	14 5/16-14 9/16	15⅜-15⅝	8⅞-8	4 5/16-4 7/16	8⅜-8½	19¾-20¾	23⅛-24⅛	15½-16	14 9/16-14 11/16	5 13/16-7 3/16	16-18⅝

SDR linked deposits: one month 13 5/16-13 11/16 per cent; three months 13⅛-13½ per cent; six months 13-13⅜ per cent; one year 12 11/16-13 1/16 per cent.

ECU linked deposits: one month 14 3/16-14 9/16 per cent; three months 14-14⅜ per cent; six months 13 13/16-14 3/16 per cent; one year 13¼-13⅝ per cent.

Asian $ (closing rates in Singapore): one month 14 15/16-15 3/16 per cent; three months 14 9/16-14 11/16 per cent; six months 14½-14⅞ per cent; one year 14⅛-14½ per cent. Long-term Eurodollar two years 14⅛-14⅝ per cent; three years 14⅞-15⅛ per cent; four years 15-15⅛ per cent; five years 15-15¼ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 14.50-14.60 per cent; three months 14.25-14.35 per cent; six months 14.15-14.25 per cent; one year 14.00-14.10 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. MAY 14)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 11/16	offer 14 15/16	bid 14 5/8	offer 14 3/4

The fixing rates are the arithmetical means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

May 14 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	11-14	13⅜-13⅝	—	—	13¼-13⅝	10-12¼	—	—	—
2 days notice	—	—	15⅛-13⅜	—	—	—	—	—	—	—
7 days or	—	13⅜-13⅝	13⅛-13⅜	—	—	13½-13¾	13	13-13 1/32	13 1/16	13¾
7 days notice	—	13 7/16-13⅝	13⅛	13⅜-13⅝	13¼	13⅜-13⅝	12⅞-13	12⅞-12 31/32	12 15/16-12 31/32	13½
One month	13 7/16-13 9/16	13 7/16-13 9/16	—	13½-13¼	13¼	13½	12¾	12 11/16	12⅝	13¼
Two months	13 7/16-13⅛	13⅛-13 5/16	13¼	13½-13¼	13¼	13⅛	19⅛-19⅝	12 11/16	12¼	19¾
Three months	13 5/16-13⅜	13⅛-13 5/16	13⅛	12⅜-12⅝	13¼	—	—	—	—	—
Six months	13 5/16-12 15/16	13⅛-13 5/16	—	13⅜-13	13¼	—	—	—	—	—
Nine months	13 1/16-18	13⅛-13 5/16	13¼	13¼-13	13¼	—	—	—	—	—
One year	13 1/16-12	—	13⅝	—	—	—	—	—	—	—
Two years	—	—	—	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three days 13⅞ per cent; four years 13⅞ per cent; five years 13⅞ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12½-12 7/16 per cent; four months trade bills 13⅛ per cent.

Approximate selling rates for one month Treasury bills 12⅞ per cent; two months 12¾ per cent; three months 12⅞ per cent. Approximate selling rate for one month bank bills 12 15/16 per cent; two months 12 25/32-12 13/16 per cent and three months 12½ per cent; one month trade bills 13½ per cent; two months 13¼ per cent; three months 13 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14 per cent from May 1 1982. London and Scottish Clearing Bank Rates for lending 13 per cent. London Clearing Bank Deposit Rates for sums at seven days' notice 10-10½ per cent. Treasury Bills: Average tender rates of discount 12.5023 per cent.

Certificates of Tax Deposit (Series 5) 13¼ per cent from May 14. Deposits withdrawn for cash 11 per cent.

CURRENCY MOVEMENTS

May 14	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.4	−32.8
U.S. dollar	112.8	+6.1
Canadian dollar	85.6	−18.3
Austrian schilling	116.7	+95.7
Belgian franc	95.8	−1.6
Danish kroner	84.8	−12.5
Deutsche mark	125.2	+48.7
Swiss franc	148.0	+98.0
Guilder	115.5	+21.8
French franc	79.8	−14.5
Lire	54.2	−58.4
Yen	138.2	+33.1

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

OTHER CURRENCIES

May 14	£	$		£ Note Rates
Argentina Peso	25,659-25,682†	14,100-14,150†	Austria	29.50-29.80
Australia Dollar	1.7180-1.7200	0.9416-0.9420	Belgium	87.50-88.50
Brazil Cruzeiro	286.60-287.60	157.57-158.36	Denmark	14.18-14.32
Finland Markka	5.196-5.215	4.5010-4.5030	France	10.93-11.03
Greek Drachma	112.088-115.455	62.50-62.70	Germany	4.19-4.23
Hong Kong Dollar	10.49-10.50½	5.7590-5.7640	Italy	2505-2556
Iran Rial	148.20*	80.50*	Japan	430-435
Kuwait Dinar (KD)	0.52045-0.52145	0.2858-0.2859	Netherlands	4.66-4.70
Luxembourg Fr	79.55-79.65	43.62-43.64	Norway	10.81-10.91
Malaysia Dollar	4.1825-4.1925	2.2973-2.3005	Portugal	125-131
New Zealand Dlr.	2.3615-2.3655	1.2940-1.2960	Spain	180-159¼
Saudi Arab. Riyal	6.2475-6.2575	3.4300-3.4315	Sweden	10.48-10.58
Singapore Dollar	3.8050-3.8150	2.0900-2.0930	Switzerland	3.52¼-3.52
Sth. African Rand	1.9370-1.9400	1.0615-1.0630	United States	1.80¾-1.82¾
U.A.E. Dirham	6.6865-6.6985	3.6710-3.6730	Yugoslavia	81½-97

† Now one rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	45.0820	+0.86	+1.05	±1.5440
Danish Krone	8.18382	8.08385	−1.22	−1.03	±1.6428
German D-Mark	2.41815	2.38579	−1.34	−1.15	±1.1097
French Franc	6.19564	6.22847	+0.50	+0.69	±1.3743
Dutch Guilder	2.67296	2.65082	−0.83	−0.64	±1.5069
Irish Punt	0.686799	0.689723	+0.43	+0.62	±1.6689
Italian Lira	1305.13	1324.90	+1.51	+1.51	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

For Sterling/ECU rate see CURRENCY RATES table.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

American Growth	60.4	64.9	+0.2	2.23
Capital	40.3	43.6	−0.1	3.79
(Accum. Units)	53.6	58.0	−0.2	3.79
General	65.0	70.3	−0.1	4.37
Gilt & Fixed Int.	104.1	109.6	−0.2	11.52
Income	40.2	43.5	.....	9.03
Worldwide Bond	111.1	119.5	+0.4	4.18
Inv. Tst. Fd.	54.3	58.7	−0.1	4.09
Equitas Prog.	88.5	95.7	−0.2	4.39

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	91.8	96.6	.....	12.57

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex Brentwood (0277) 211459 & 229123

Balanced Funds				
Allied 1st	95.1	101.8	−0.6	5.29
Brit. Inds. Fund	86.1	92.1	−0.3	5.80
Growth & Income	63.1	67.5	−0.3	4.04
Elect. & Ind. Dev.	49.1	52.5	−0.3	4.10
Allied Capital	109.7	117.4	−0.4	4.25
Hambro Fund	148.1	158.5	−0.7	4.99
Hambro Acc. Fund	215.1	230.2	−0.8	4.34
Income Funds				
High Yield Fd.	71.2	76.2	−0.3	8.35
High Income	89.5	95.8	−0.5	7.10
Equity Income Fd.	50.4	53.9	−0.1	7.12
Govt. Secs.	25.0	25.7	−0.1	12.37
International Funds				
International	33.7	36.1	−0.1	2.77
Japan Fund	27.8	29.7	−0.3	0.85
Pacific Fund	66.5	71.2	−0.2	1.32
American Spec. Sits.	25.0	25.7	+0.1	1.09

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 3492

Cres. American	39.9	43.1	.....	0.95
Cres. Capital	24.4	26.4	.....	3.41
Cres. High. Dist.	47.0	50.8	.....	9.00
Cres. International	81.8	88.4	.....	1.70
Cres. Reserves	57.8	62.5	.....	4.80
Cres. Tokyo	37.4	40.4	.....	0.31

Dartington Unit Trust Mngt. Ltd.
Dartington, Totnes, Devon TQ9 6JE. 0803 862271

Total Perf. Unit Tst.	22.6	25.3	.....	5.15

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. May 14	280.3	298.9	+3.6	4.57

Dunbar Unit Trust Managers Ltd.
53, Pall Mall, London, SW1 5JH. 01-930 2122

Income & Grwth.	22.1	23.5	−0.1	8.16
Special Sits.	24.2	25.7	−0.2	2.19

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	20.7	23.2	.....	7.34
Gt. Winchester O'seas	31.7	35.3	.....	3.54

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

UK Gwth. Tst. Acc.	59.5	64.2	−0.1	4.83

L & C Unit Trust Management Ltd.
The Stock Exchange, London EC2N 1HA 588 2800

L&C Inc. Fund	169.1	174.4	+2.7	8.42
L&C Ind & Gen Fd.	111.8	115.3	−3.2	1.22

Legal & General (Unit Tst. Mngrs.) Ltd.
5 Rayleigh Rd., Brentwood 0277 217238

Equity Dis.	99.3	107.3	−0.3	4.19
Equity Acc.	141.1	152.5	−0.3	4.19
Gilt	130.2	137.0	−0.3	7.01

Leonine Administration Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114.

Leo Distribution	130.8	138.8	.....	0.27
Leo Accum.	155.5	165.0	.....	0.27

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex. 01-623 1288

Ridgefield Management Ltd.
1 Finsbury Sq., EC2A 1PD 01-588 6906

Income UT	76.9	82.7	.....	9.29
International UT	104.1	111.9	+0.5	1.10

Rothschild Asset Management
St. Swithin's Lane, London EC4. 01-626 4356

NC American Prop.*	—	$10.00	.....	—
NC Prop.*	171.9	182.8	.....	—

Next Sub. Period April 30/May 28. Next Sub. Period June 30/July 14. *Unauthorised.

Rothschild Asset Management (a) (g) (z)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N.C. Engy Res Tst	149.7	159.2	.....	1.42
N.C. Income Fd.	160.5	170.7	−0.2	7.42
N.C. America (Inc.)	137.8	146.5	+0.7	1.14
N.S. America (Acc.)	144.4	153.6	+0.8	1.14
N.C. Smaller Cos.	71.9	76.5	−0.3	3.54

Rowan Unit Trust Mngt. (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American May 13	108	112	.....	1.60
Securities May 4	293.0	305.0	.....	4.17
High Yield May 14	67.0	70.0	+1.0	7.77
Merlin May 12	132.0	130.0	.....	5.54
Fixed Int.	109.5	110.5	−0.5	3.38
High Int.	112.0	113.0	−0.5	12.83

Royal Life Fd. Mgmt. Ltd.
New Hall Place, Liverpool L69 3HS 051-227 4422

Equity Trust	24.8	26.6	.....	—
International Trust	23.4	25.1	+0.1	—

Royal Tst. Can. Fd. Mgrs. Ltd.
48-50, Cannon St., London EC4M 6LD 01-236 6044

Capital Fund	106.2	113.1	+2.4	4.60

Late improvement leaves index close to 1982 high
Glaxo strong again—British Funds hold steady

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr 19	Apr 28	Apr 29	May 10
Apr 30	May 13	May 14	May 24
May 1	June 3	June 4	June 14

* "New time" dealing may take place from 9 am two business days earlier.

Quiet conditions persisted in London stock markets as the trading Account came to a close. Nevertheless, recent underlying strength of the two main investment sectors in the face of the Falkland Islands crisis was again apparent yesterday. Leading shares finished with useful gains, while British Funds held relatively steady.

Gains in the industrial leaders were usually limited to a few pence in official trading. However, quotations made a ready response to occasional buying interest after 3.30 pm, when dealings are permitted without penalty for the three-week Account starting next Monday.

The late improvement was reflected in the FT 30-share index which extended a rise of 2.4 at the 3 pm calculation to one of 5.4 at the close of 590.6. This represents a rise of 8.5 on the Account and left the index only slightly below the 1982 peak of 590.9 attained on Wednesday and within 7 points of its all-time high.

Glaxo, up 23 more at 690p, again featured on the favourable prospects for its Zantac drug. Satisfactory interim figures left Grand Metropolitan, another index constituent, 5 dearer at 223p, while a late revival of interest in defence stocks was mirrored in the electrical leaders.

Gilt-edged securities were narrowly mixed at the close of business. Fading hopes of lower U.S. interest rates tended to dampen sentiment initially, while a further tightening in UK short-term money rates left short-dated stocks with falls of ¼. The later maturities, down ¼ in the early dealings, rallied to overnight closing levels and in some cases ended marginally better on the day. The Government Securities index closed only 0.06 lower at 69.15, or 0.40 off its 1982 high.

Grindlays up

The subject of a bout of speculative buying late on Thursday on talk of a 250p per share dawn raid from a Kuwaiti concern, Grindlays opened sharply better at 225p yesterday, eased to 210p in the absence of such a development and closed a net 5 up on balance at 220p. Elsewhere in the banking sector, Guinness Peat rose 3 to 80p following the announcement that a consortium, led by Lord Kissin, is planned to acquire the group's commodity trading business. Bank of Ireland hardened 3 to 240p on further consideration of the results, while Allied Irish advanced 6 to 90p in sympathy; the latter's preliminary figures are scheduled for May 26. The major clearers drifted lower on lack of support.

Minet encountered good steady buying and closed 12 up at a 1982 peak of 186p; the rise was accompanied by vague talk of a possible merger with Corroon and Black or C. E. Heath. Elsewhere in Lloyds Brokers, C. E. Heath improved 3 to 345p ahead of annual figures due next Tuesday.

Associated Heat Services made a bright market debut; the shares opened at 265p and advanced to 275p compared with the minimum tender price of 230p and the striking price of 250p. Yesterday also saw the start of dealings in Electro-Protective Corporation of America, a subsidiary of Hawley Group; after opening at 98p, the shares were actively traded and reacted to 95p before closing at 96p, a *premium of 8½* over the offer price of 87½p.

Vaux, up 4 further to 152p, continued to benefit from the interim results. Elsewhere in Breweries, leading issues made a little progress.

UDS feature

Steady to firm of late on interest rate optimism, leading Buildings drifted off in places. Blue Circle and RMC softening a couple of pence apiece to 496p and 248p respectively. Costain shed 2 for a three-day fall of 18 on further consideration of the preliminary results, but ended the week only 8 down on balance at 252p. Elsewhere, M. J. Gleeson added 3 to a 1982 peak of 115p in response to the *excellent annual profits*, 10 per cent dividend increase and proposed property revaluation, while Tysons (Contractors) put on a penny for a gain on the week of 9 to 44p on sharply increased preliminary profits. Francis Parker met fresh speculative interest and added another penny to a 1982 peak of 24p, but Allied Plant shed that much, to 12p, on the annual profits slump. Breedon and Cloud Hill Lime Works attracted fresh support and, in a thin market, firmed 2 for a gain on the week of 23 to 162p.

ICI fluctuated narrowly before settling unchanged on balance at 322p. Amersham added a like amount to a peak of 217p. New-time buying ahead of the *preliminary results, due soon, lifted* Leigh Interests 12 to 108p.

A particularly weak market during the Account following the exceptionally disappointing preliminary results, UDS perked up on end-Account bear closing to close 5 better at 61p. Other Store majors edged forward with Marks and Spencer up a penny at 165p and Debenhams a similar amount dearer at 75p; the latter's annual results are due next Friday. Elsewhere, Bambers dipped to a 1982 low of 23p before closing 2 down, and 11 lower on the week, at 25p with sentiment still clouded by talk of boardroom unrest. Renewed speculative support helped S. and U. Stores to improve 2 to 19p.

Quiet throughout the "House" session, leading Electricals became more active after-hours when some good buying for the new Account on defence spending hopes helped GEC to close with a fresh rise of 13 to a 1982 peak of 903p. Plessey finished 6 dearer at 426p; the annual results are scheduled for May 27, and Thorn EMI ended 7 up at 450p. Philips' Lamps, however, fell 15 to 515p on further consideration of the disappointing first-quarter figures. Still reflecting recent investment comment, ESI London jumped 38 to 291p; part of the rise occurred too late to update the Share Information Service. CASE continued firmly at 267p, up 7, while Lec *Refrigeration* added 5 to 230p in response to Press comment.

Chemring continued to make good progress in Engineerings, rising 7 for a jump on the week of 60 to 365p on defence spending hopes. Vosper hardened a penny to 153p awaiting next Thursday's preliminary results but Molins gave up 4 to 144p on fading hopes of a bid from BAT Industries. The leaders plotted an irregular course in thin trading.

Dull of late on fears of another price war, Food Retailers staged a small rally, J. Sainsbury improving 5 to 610p with Kwik Save, 226p, and Associated Dairies, 124p, adding 2 apiece. Elsewhere, British Sugar met late support and gained 15 to 505p. Rowntree Mackintosh hardened a couple of pence to 182p and Cadbury Schweppes a penny to 105p: both companies will be quoted ex dividend on Monday.

Already a couple of pence firmer awaiting the interim results, Grand Metropolitan added a few pence more on the announcement of profits in line with market estimates to close 5 up at a 1982 peak of 223p.

Glaxo at new peak

A rising market all week on hopes that its Zantac anti-ulcer drug might soon receive U.S. approval, Glaxo yesterday had improved to 680p by the 3.30 pm "House" close; a late announcement that the FDA advisory panel had recommended approval of the drug stimulated further interest and the close was 23 higher, or 57 up on the week, at a 1982 peak of 690p. Other miscellaneous industrial leaders closed firm with Bowater, 225p, and Pilkington, 249p, up 4 apiece. BOC hardened 2 to 169p ahead of next Monday's interim results. The proceedings elsewhere were featured by a show of strength in Johnson Group Cleaners which attracted speculative buying in a thin market on vague bid rumours to close 27 up at 234p, after 236p, despite the reported bid denial.

Channel Tunnel advanced 20 to 135p on Press comment, while Aeronautical and General rose a similar amount to 200p following support in a thin market. Old bid favourite, J. Bibby rose 15 to 390p, while Lonsdale Universal hardened 2 to 65p in response to BPC's counter-bid of 66p cash per share. Speculative buying lifted Henry Boot 11 to 255p, and Extel gained 6 to 303p ahead of results due on May 27. Long and Hambly fell 1¼ to 5½p on the poor interim figures, while BTR remained friendless at 330p, down 10. Technical considerations prompted a reaction of 9 to 188p in Foseco Minsep.

A volatile market recently on mixed results on the company's applications to renew London casino licences, Trident TV A put on 6 for a two-day rally of 15 but still finished 5½ down on the week at 77p.

Ultramar down afresh

Attwoods Garages, a penny easier at one stage, picked up to 87p on the sale of a subsidiary and the revised profit forecast before drifting off to close unchanged on balance at 86p. Profit-taking in the wake of the better-than-expected results clipped 2 from Kwik-Fit (Tyres and Exhausts), 48p.

International Thomson rose 11 to 333p: the first-quarter figures are due next Thursday. Advertising agency Geers Gross put on 8 to a 1982 peak of 142p in response to satisfactory annual results, the one-for-four scrip issue and the *Board's* cheerful statement.

Properties turned in another lack-lustre performance, with the leaders closing a shade lower. Elsewhere, Slough Estates softened a penny to a 1982 low of 129p, while Brixton Estates gave up 3 to 106p, the latter despite a broker's bullish circular. Against the trend, Regalian met speculative buying and put on 4 to a 1982 peak of 60p, while Warnford Investments firmed 8 to 390p in response to good preliminary results.

Easier on Thursday in the wake of Ultramar's disappointing first-quarter results and bearish statement, leading Oils staged a rally. Largely on technical influences, British Petroleum improved 6 to 320p and Shell 4 to 420p. Ultramar remained on offer and shed 8 for a two-day drop of 30 to 430p, after 425p. Among the Humbly Grove participants, Candecca hardened 3 to 209p, but Carless Capel lost 4 to 166p and Marinex 3 to 97p. Elsewhere, Irish Oil concern Eglinton met late speculative support and put on 20 to 130p.

Among Financial Trusts, Stormgard dropped 5 to 15p following the poor results and capital proposals. Exco International met further buying interest and rose 3 more to 198p, but Akroyd and Smithers, down 3 at 212p, encountered occasional profit-taking after recent firmness on the interim figures.

Among Textiles, Lister attracted speculative interest and added 2 for a two-day gain of 4 to 32p, while S. Lyles put on 3 to 76p and Richards 1½ to 16½p.

Apart from Bats, which gained 10 to 465p, Tobaccos held close to overnight levels.

Golds move ahead

The precious metals and mining markets remained acutely nervous with the negotiations over the Falkland Islands apparently reaching a critical stage.

The bullion price gained ground, closing $3 higher at $335.125 an ounce, and induced modest bear covering of South African Golds although turnover in the sharemarket continued at a low ebb.

The Gold Mines index responded with a rise of 4.1 to 235.9 — its third successive improvement and a net gain of 4.5 over the week.

South African Financials mirrored the performance of Golds, with "Johnnies" ¼ to the good at £26¼. De Beers hardened a penny to 221p following news that the company's Letseng-la-Teral mine is to be closed.

London Financials failed to respond to the late strength in the bullion price and the gains in UK equities. Rio Tinto-Zinc continued to drift and closed a further 5 cheaper at 435p—15 lower on the week—again unsettled by the poor outlook for metal prices.

Australians ended an eventful week on a steady note. Sharply higher in the early part of the week reflecting large-scale buying from Hong Kong and Singapore, prices fell back on Thursday on news that Esso has withdrawn from the Yeelirrie uranium project in Western Australia.

Western Mining, which has a 75 per cent interest in Yeelirrie, were notably weak but rallied 2 to 220p yesterday for a week's decline of 18.

The remaining mining leaders made good progress, including Oakbridge, 5 firmer at 85p, and Renison, 8 higher at 154p.

The busiest week in Traded Options since January ended with 1,889 deals arranged yesterday to make a daily average of 2,449. Grand Metropolitan, which yesterday announced interim results, attracted 504 contracts, while 596 deals were done in Imperial Group, Tesco, Chloride, Land Securities, MEPC, Sound Diffusion, Johnson Group, Electro Protective, UDS, Coats Patons, Smith St. Aubyn, Town and City, Pennine Commercial and Cable and Wireless. Exco were dealt in for the put, while double options were arranged in Oil Search, Courtaulds, Sound Diffusion and Cable and Wireless.

LEADERS AND LAGGARDS

Percentage changes since December 31, 1981, based on Thursday, May 13, 1982.

Health and H'sehold Products	+35.09	Food Retailing	+ 6.93
Tobaccos	+30.12	Investment Trusts	+ 6.86
Stores	+12.81	Insurance (Life)	+ 5.63
Contractors, Construction	+18.08	Mechanical Engineering	+ 6.41
Insurance Brokers	+19.02	Food Manufacturing	+ 4.53
Other Consumer	+17.96	Motors	+ 3.01
Consumer Group	+16.23	Engineering Contractors	+ 1.82
Brewers and Distillers	+15.13	Other Industrial Materials	+ 1.41
Building Materials	+15.07	Insurance (Composite)	+ 1.25
Textiles	+14.96	Metals and Metal Forming	+ 0.93
Industrial Group	+12.88	Oils	− 0.12
Chemicals	+12.56	Financial Group	− 1.71
Other Groups	+11.68	Discount Houses	− 2.28
Packaging and Paper	+11.57	Merchant Banks	− 5.00
Electricals	+11.24	Office Equipment	− 3.26
Shipping and Transport	+10.98	Property	− 3.54
Newspapers, Publishing	+10.81	Banks	− 6.19
500 Share Index	+10.55	Overseas Traders	− 8.98
Capital Goods	+9.15	Mining Finance	−11.32
Leisure	+ 2.11	Gold Mines Index	−24.62
All-Share Index	+ 7.27		

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 10	May 21	Aug 12	Aug 23
May 24	June 11	Sept 2	Sept 13
June 14	June 25	Sept 16	Sept 27

For rate indications see end of Share Information Service

Stocks dealt in for the call included Premier Consolidated, Trident TV A, London Brick, Imperial Group, Tesco, Chloride, Land Securities, MEPC, Sound Diffusion, Johnson Group, Electro Protective, UDS, Coats Patons, Smith St. Aubyn, Town and City, Pennine Commercial and Cable and Wireless. Exco were dealt in for the put, while double options were arranged in Oil Search, Courtaulds, Sound Diffusion and Cable and Wireless.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	12	19	62	190	146	129
Corpns., Dom. and Foreign Bonds	4	7	66	74	15	283
Industrials	197	245	903	1,262	1,087	4,380
Financial and Props.	67	114	327	594	425	1,520
Oils	29	21	57	140	116	279
Plantations	0	6	17	6	21	88
Mines	87	23	49	213	179	403
Others	50	42	60	266	248	240
Totals	446	477	1,541	2,745	2,237	7,327

FINANCIAL TIMES STOCK INDICES

	May 14	May 13	May 12	May 11	May 10	May 7	A year ago
Government Secs	69.15	69.21	69.41	68.94	69.01	68.38	66.86
Fixed Interest	69.97	69.90	69.78	69.37	69.42	68.93	69.14
Industrial Ord.	590.6	585.2	590.9	585.1	590.3	583.3	551.0
Gold Mines	233.9	231.8	229.8	226.0	228.5	231.4	369.6
Ord. Div. Yield	5.27	5.32	5.28	5.33	5.30	5.37	5.87
Earnings, Yld. % (full)	10.80	11.00	11.04	11.16	11.08	11.34	11.50
P/E Ratio (net) (*)	11.91	11.11	11.16	11.05	11.12	11.05	10.91
Total bargains	17,790	16,467	18,212	18,354	18,536	16,317	20,086
Equity turnover £m.	—	146.69	176.45	147.98	148.90	158.50	179.082
Equity bargains	—	19,387	14,804	14,951	14,191	13,205	19,665

10 am 585.3. 11 am 588.6. Noon 588.6. 1 pm 588.2. 2 pm 587.6. 3 pm 587.8.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.38.

HIGHS AND LOWS

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.55 (25/3)	61.89 (5/1)	127.4 (9/1/35)	49.19 (3/1/75)
Fixed Int.	69.97 (14/5)	62.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	590.9 (12/5)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	302.0 (5/1)	202.2 (9/3)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	May 13	May 12
—Daily		
Gilt Edged Bargains	169.3	183.2
Equities Bargains	99.7	95.9
Value	296.3	354.8
5-day Avrge.		
Gilt-Edged Bargains	171.7	174.6
Equities Bargains	94.0	90.6
Value	313.1	308.2

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1982.

NEW HIGHS (59)

BRITISH FUNDS (2)
Treas. 3pc 1987 · Transport 3pc '78-88

PUBLIC LOANS (1)
Nationwide 15¼pc 13.12.82

AMERICANS (1)
Dana Corp.

CANADIANS (1)
Massey Ferguson

BANKS (2)
Grindlays · Minster Assets

BEERS (2)
Allied-Lyons · Vaux · Greene King

BUILDINGS (6)
Francis Parker · McLaughlin · Gleeson (M. J.) · Ruberoid · Henderson (P. C.) · Travis & Arnold

CHEMICALS (1)
Amersham International

STORES (5)
Brown (N.) · S. & U. Stores · Church · Do. 25pc Pref. · Northern Goldsmiths

ELECTRICALS (7)
C.A.S.E. · Philips Fin. 5¾pc · ESI London · Webber Elec. · GEC · Whitworth Elec. · M.K. Elec.

ENGINEERING (5)
Beauford · Dennis (J. H.) · Chemring · Rotork · Crown House

FOODS (1)
England (J. E.)

HOTELS (1)
Grand Met.

INDUSTRIALS (9)
Bibby (J.) · Parker-Knoll A · Boot (Henry) · Reckitt & Colman · Extel · Sandhurst Marketing · Glaxo · Sheldon Jones · Lep Group

INSURANCE (1)
Minet

MOTORS (1)
Heron Motor

NEWSPAPERS (1)
Int. Thomson

PAPER (3)
Delyn Pack. · Good Relations · Geers Cross

PROPERTY (2)
Beazer (C. N.) · Regalian

TEXTILES (1)
Yorklyde

TRUSTS (3)
Sec. Alliance Trust · Authority Inv. · Shires Inv.

OIL & GAS (2)
Eglinton Oil & Gas · Tiber Energy

NEW LOWS (42)

CANADIANS (1)
Bk. of Nova Scotia

STORES (2)
Allebone · Bambers

ELECTRICALS (2)
Chloride 7½pc Cnv. · Hadland

ENGINEERING (5)
Allen (W. G.) · Eva Inds. · Davies Gowerton · Moss Eng. · Elliott (B.)

INDUSTRIALS (5)
British Vita · Mettoy · Long & Hambly · Wilkes (J.) · Manch. Ship Canal

INSURANCE (2)
Lond. & Manchester · Trade Indemnity

MOTORS (2)
Appleyard · Caffyns

PAPER (1)
Mellody Mills

PROPERTY (7)
Ests. Prop. Inv. · Peachey · Hammerson A · Regional Prop. · Lon. & Provl. Shop · Thames Inv. · Lynton

SHIPPING (1)
Lon. O'seas Frghtrs.

TRUSTS (5)
Gresham House · English Assoc. · Marine Adv. · Sterling Credit · Scot. & Merc. A

OIL & GAS (3)
Cluff Oil Cnv. A · Magnet Metals · KCA Drilling

OVERSEAS TRADING (2)
Boustead · Gill & Duffus

RUBBERS (1)
Rightwise

TEAS (2)
McLeod Russel · McL. Russ. 8.4pcCnv

MINES (1)
Pacific Copper

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BAT Inds	465	+10	Heath (C. E.)	345	+ 3
BP	320	+ 6	Johnson Gp Cleaners	234	+27
Electro-Protective	96	—	Minet	186	+12
Glaxo	690	+23	Trident TV A	77	+ 8
Grand Metropolitan	223	+ 5	Ultramar	430	− 8
Grindlays	220	+ 5	UDS	61	+ 5

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
Trident TV A	22	71	+ 9	Plessey	15	422	− 6
Ultramar	20	438	−22	BTR	14	340	−18
LASMO	16	340	− 5	Twn & Cty Prp	14	26½	—
GEC	15	890	− 3	BICC	13	330	−10
Glaxo	15	667	− 7	Cable & Wire	13	272	− 5
Imp Group	15	97	− 1	Eagle Star	13	367	+ 2
Inter-City Inv	15	53	+ 3	Hepworth (J.)	13	104	+ 4

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thurs closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
GEC	102	890	+18	RTZ	71	440	− 5
Glaxo	95	667	+38	Racal Elec	70	423	+19
Trident TV A	88	71	−11½	Shell Trans	66	416	+ 2
Plessey	86	422	+17	BAT Inds	65	455	− 9
Cable & Wire	76	278	+25	Thorn EMI	64	443	+23
BICC	74	320	+ 5	Brit Aerospace	63	209	+ 3
ICI	73	322	− 2	Marks & Spen	62	164	+ 3

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri May 14 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur May 13 Index No.	Wed May 12 Index No.	Tue May 11 Index No.	Mon May 10 Index No.	Year ago (approx.) Index No.	1982 High	1982 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (208)	392.12	+0.1	9.30	4.13	13.25	391.68	394.80	393.99	396.10	347.50	396.10 (10/5)	351.14 (14/1)	396.10 (10/5/82)	50.71 (13/12/74)
2	Building Materials (23)	347.60	+0.1	13.18	5.08	8.93	347.40	347.86	347.26	349.38	309.17	349.38 (10/5)	299.54 (6/1)	349.38 (10/5/82)	44.27 (11/12/74)
3	Contracting, Construction (28)	627.75	−0.5	14.00	4.89	8.43	631.02	634.14	637.80	641.41	574.93	641.41 (10/5)	529.58 (6/1)	641.41 (10/5/82)	71.48 (2/12/74)
4	Electricals (31)	1409.79	+0.8	6.63	2.10	19.28	1399.18	1407.00	1400.55	1411.45	1062.48	1411.45 (10/5)	1205.68 (14/1)	1411.45 (10/5/82)	84.71 (25/6/62)
5	Engineering Contractors (10)	498.02	−0.4	13.27	6.14	8.98	499.78	501.89	500.40	501.40	497.22	523.05 (5/2)	477.56 (19/4)	523.05 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (67)	204.04	−0.2	11.14	5.67	10.87	204.40	206.66	207.36	207.62	215.80	207.62 (10/5)	187.11 (6/4)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (11)	168.35	−0.3	10.13	7.05	12.40	168.78	169.66	168.90	171.36	173.40	182.98 (29/1)	155.19 (6/4)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (20)	96.31	−0.5	0.56	7.08	—	96.82	97.69	97.27	96.26	108.31	102.40 (3/2)	92.13 (16/4)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	375.41	−1.1	9.74	5.65	12.54	379.48	389.16	387.22	388.14	372.04	410.63 (5/2)	357.20 (6/4)	410.63 (5/2/82)	277.55 (15/1/81)
21	CONSUMER GROUP (231)	315.36	+0.8	12.52	5.41	9.68	312.95	314.49	311.61	314.86	283.12	315.36 (14/5)	265.59 (5/1)	315.36 (14/5/82)	61.41 (13/12/74)
22	Brewers and Distillers (21)	317.66	+1.3	14.84	6.14	8.13	313.65	315.26	311.18	317.95	305.50	317.95 (10/5)	261.00 (12/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (22)	276.14	+0.2	16.62	6.75	7.06	275.52	277.11	276.96	279.95	256.68	287.47 (27/1)	261.73 (5/1)	287.47 (27/1/82)	59.67 (11/12/74)
26	Food Retailing (14)	593.61	+0.7	9.54	3.59	12.68	589.49	591.85	587.52	595.99	523.48	626.32 (4/5)	546.79 (5/1)	626.32 (4/5/82)	54.25 (11/12/74)
27	Health and Household Products (8)	474.59	+1.5	7.29	3.41	15.93	467.37	467.46	461.69	460.75	307.82	474.59 (14/5)	338.70 (5/1)	474.59 (14/5/82)	175.38 (28/5/80)
29	Leisure (24)	457.30	+0.7	9.94	4.96	12.54	454.33	453.96	449.50	452.45	426.45	461.12 (2/4)	409.03 (13/1)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	529.87	−0.3	13.01	5.91	9.76	531.60	534.95	533.50	532.48	512.04	537.63 (5/4)	472.39 (14/1)	537.63 (5/4/82)	55.08 (6/1/75)
33	Packaging and Paper (14)	148.97	+0.7	15.34	7.14	7.58	148.00	148.71	149.16	149.58	148.89	150.15 (17/2)	130.74 (5/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (45)	288.98	+0.4	10.30	4.75	12.92	287.91	289.12	285.71	287.93	284.43	289.12 (12/5)	238.02 (5/1)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	180.46	+0.3	10.00	5.57	12.83	179.87	182.62	180.09	181.07	159.24	182.62 (12/5)	152.91 (5/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	344.71	+1.5	21.58	7.97	5.22	339.55	344.57	340.85	349.15	262.91	349.15 (10/5)	251.28 (6/1)	349.15 (10/5/82)	94.34 (13/6/62)
39	Other Consumer (15)	290.63	−0.6	1.71	5.19	—	292.38	293.03	292.53	293.17	302.78	297.26 (2/4)	247.87 (1/1)	311.40 (1/5/81)	229.64 (28/9/81)
41	OTHER GROUPS (78)	259.33	−0.1	13.12	6.13	9.19	259.53	261.91	259.45	261.43	235.68	261.91 (12/5)	228.88 (5/1)	261.91 (12/5/82)	58.63 (6/1/75)
42	Chemicals (16)	340.43	+0.1	13.18	6.79	9.07	340.03	343.14	339.23	343.26	298.65	353.38 (11/2)	297.89 (5/1)	353.38 (11/2/82)	71.20 (1/12/74)
44	Office Equipment (4)	115.35	+1.1	13.96	7.57	8.72	114.09	114.54	115.10	117.19	116.49	131.88 (29/1)	111.26 (6/5)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	576.13	−0.1	19.22	7.16	6.23	576.80	583.94	578.37	584.93	583.07	587.26 (5/2)	515.46 (5/1)	644.76 (24/4/81)	98.80 (29/6/62)
46	Miscellaneous (45)	335.13	−0.4	11.24	5.00	10.83	336.39	339.47	336.21	336.53	299.19	339.47 (12/5)	289.92 (5/1)	339.47 (12/5/82)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (487)	333.90	+0.4	11.41	3.03	10.67	332.52	334.73	332.53	335.24	298.74	335.24 (10/5)	289.79 (5/1)	335.24 (10/5/82)	59.01 (13/12/74)
51	Oils (13)	751.78	+1.2	21.05	7.73	5.38	742.67	753.04	741.53	750.02	846.04	756.21 (26/4)	627.13 (10/3)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	367.91	+0.5	12.98	5.47	9.20	365.91	368.77	365.83	369.01	342.34	369.01 (10/5)	324.63 (12/1)	369.01 (10/5/82)	63.49 (13/12/74)
61	FINANCIAL GROUP (117)	249.30	−0.4	—	6.61	—	250.75	252.63	250.92	252.16	254.73	268.53 (8/3)	244.65 (15/1)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	267.01	−0.9	39.20	8.05	2.79	269.33	272.67	267.63	269.24	255.27	304.42 (22/2)	260.21 (15/4)	304.42 (22/2/82)	62.44 (12/12/74)
63	Discount Houses (9)	238.76	+0.1	—	9.51	—	238.63	236.52	236.16	230.79	289.89	246.71 (1/1)	211.15 (7/1)	314.03 (20/3/81)	81.40 (10/12/74)
65	Insurance (Life) (9)	264.54	−0.7	—	6.91	—	266.30	268.08	269.10	269.83	253.70	270.29 (2/4)	243.18 (12/1)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (10)	157.41	+0.3	—	8.99	—	156.99	158.96	158.26	157.34	162.75	171.78 (5/3)	148.51 (12/1)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (7)	492.77	+0.1	11.23	5.16	12.08	492.31	496.51	494.10	494.86	381.76	496.51 (12/5)	410.59 (13/1)	496.51 (12/5/82)	65.86 (16/12/74)
68	Merchant Banks (12)	147.83	−0.3	—	5.74	—	148.22	148.32	147.00	148.52	155.58	156.03 (1/1)	144.13 (15/3)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (49)	424.94	−0.7	3.05	3.62	26.46	427.81	430.43	428.26	433.47	490.78	468.36 (11/3)	424.03 (15/4)	517.77 (2/4/81)	56.01 (20/4/65)
70	Other Financial (15)	175.99	+0.5	17.89	6.49	6.46	175.11	173.09	173.38	175.60	171.78	189.35 (11/2)	167.43 (26/4)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (112)	305.76	+0.1	—	5.29	—	305.49	305.55	304.24	304.90	306.06	319.65 (11/2)	283.53 (6/1)	332.90 (17/8/81)	71.63 (13/12/74)
81	Mining Finance (4)	207.53	−0.9	15.05	6.79	8.33	209.42	209.42	210.02	214.78	261.72	241.76 (3/2)	196.96 (15/3)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (17)	363.86	−1.0	14.39	8.74	8.49	367.50	371.06	375.23	374.67	482.63	438.99 (11/2)	363.19 (19/4)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	336.93	+0.3	—	5.72	—	335.87	338.28	335.89	338.53	323.97	338.53 (10/5)	306.22 (12/1)	338.64 (17/8/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri May 14	Day's change %	Thur May 13	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	111.52	+0.07	111.53	0.09	4.70
2	5-15 years	112.09	+0.03	112.06	—	4.43
3	Over 15 years	115.17	+0.04	115.12	—	5.22
4	Irredeemables	119.26	—	119.26	—	6.07
5	All Stocks	112.62	+0.04	112.59	0.03	4.75
6	Debentures & Loans	88.39	+0.01	88.38	—	3.96
7	Preference	64.67	+0.40	64.41	—	2.75

	AVERAGE GROSS REDEMPTION YIELDS		Fri May 14	Thur May 13	Year ago (approx.)	1982 Highs	1982 Lows
	British Government						
1	Low	5 years	11.45	11.44	12.85	13.49 (5/1)	11.44 (13/5)
2	Coupons	15 years	12.63	12.63	12.71	14.28 (5/1)	12.53 (23/3)
3		25 years	12.64	12.63	12.85	14.17 (12/1)	12.33 (23/3)
4	Medium	5 years	13.89	13.86	13.91	16.41 (12/1)	13.75 (2/4)
5	Coupons	15 years	13.69	13.68	14.41	16.10 (5/1)	13.47 (23/3)
6		25 years	13.24	13.24	14.03	15.46 (12/1)	13.04 (23/3)
7	High	5 years	13.78	13.75	13.94	16.39 (8/1)	13.65 (12/5)
8	Coupons	15 years	13.89	13.87	14.61	16.28 (5/1)	13.66 (23/3)
9		25 years	13.34	13.32	14.23	13.76 (12/1)	13.11 (23/3)
10	Irredeemables †		12.28	12.26	12.21	13.64 (12/1)	12.06 (18/3)
11	Debs & Loans	5 years	14.78	14.75	14.88	17.07 (12/1)	14.44 (24/3)
12		15 years	14.62	14.63	14.93	16.85 (12/1)	14.47 (24/3)
13		25 years	14.50	14.54	14.98	16.72 (12/1)	14.47 (24/3)
14	Preference †		15.29	15.37	14.87	16.24 (11/1)	15.02 (26/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p. CONSTITUENT CHANGE: Heron Motor (9) has been deleted and replaced by AIM Group (5). NAME CHANGES: London & Holyrood Trust, Capital & National Trust, Guardian Trust and Sterling Trust are now Fleming Universal, Fleming Japanese, Fleming Far East and Fleming American (71) respectively. Drayton Commercial Inv. is now Drayton Japan Trust (71). DEB. AND PREF. CHANGES: Newman Industries 10¼% has been deleted from Preference Stocks.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

LONDON TRADED OPTIONS

May 14. Total Contracts 1,889 Calls 1,279, Puts 610

[illegible]

C=Call P=Put

INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Property Fund	226.5	[illegible]		—
Equity Fund	52.8	[illegible]	−0.4	—
Property Acc.	265.4	[illegible]		—
Equity Acc.	50.5	[illegible]	−0.4	—
Selective Fund	150.7	[illegible]	−0.8	—
Money Fund	165.3	[illegible]		—
Convertible Fund	177.3	[illegible]		—
Prop. Fd. Ser. 4	209.2	[illegible]		—
Equity Ser. 4	56.4	[illegible]	−0.5	—
Man. Ser. 4	200.6	[illegible]	−0.7	—
Money Ser. 4	150.0	[illegible]		—
Conv. Ser. 4	150.1	[illegible]		—
Fixed Int. Fd. Ser. 4	117.1	[illegible]		—
American Ser. 4	112.1	[illegible]	−0.6	—
High Inc. Ser. 4	117.0	[illegible]	−0.7	—
Indexed Inr. Series 4	95.7	[illegible]		—
Pension Property	315.7	[illegible]		—
Pension Equity	279.4	[illegible]	−2.2	—
Pension Selective	[illegible]	[illegible]	0.7	—
Pension Managed	[illegible]	[illegible]	−1.0	—
Pension Security	219.2	[illegible]		—
Pension Fixed Int.	112.8	[illegible]		—
Pension Indexed Inv	95.8	[illegible]		—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W 1. 01-437 5962

Equity Fd. Acc.	324.7	341.7	−0.9	—
Fixed Int. Acc.	194.3	204.5	−0.6	—
Gtd. Money Fd. Ac.	155.1	163.3		—
Intl. Man. Fd. Acm.	148.6	156.4	+0.1	—
Intl. Fnd. Int. Fd.	108.4	114.1	+0.3	—
Prop. Fd. Acc.	158.5	166.8		—
M'ple Inv. Acc.	253.6	266.9	−0.6	—
Equity Pen.Fd.Acc	447.2	470.7	−1.5	—
Fixed I.Pen.Acc	311.1	327.4	−1.4	—
G'td.Mon.Pen.Acc.	213.9	225.2	+0.1	—
Intl.Mn.PnFdAcc	172.4	181.4	−0.2	—
Prop.Pen.Acc.	208.6	219.6	+0.1	—
M'ple Inv.Pen.Acc	368.1	387.4	−1.0	—

AMEV Life Assurance Ltd.
2-6, Prince of Wales Rd., B'mouth. 0202 762122

Managed Fd.	199.4	210.1		—
Money Fd.	142.6	150.1		—
Equity Fd.	155.7	164.1		—
Fixed Int. Fd.	94.8	99.9		—
Property Fd.	152.2	160.4		—
Managed Pen. Fd.	175.3	184.7		—
Equity Pension Fd.	103.2	108.7		—
Fixed Int. Pens. Fd.	123.1	129.7		—
High Yield Pens. Fd.	122.7	129.3		—
Money Pension Fd.	111.7	117.6		—
Property Pension Fd.	110.1	116.0		—
FlexFund	121.5	128.0		—

AMEV/Framlington

American & Gen. Fd.	142.4	150.0	+0.2	—
Income Fd.	140.6	148.2		—

Crown Life—Continued

St. George Mangt. Fd.	109.1	[illegible]		—
Lincs & Gen. Fd.	120.5	[illegible]		—
Sage Fd.	87.4	[illegible]		—
Heritage Fd.	97.4	102.5		—
DBS Managed	102.6	108.0		—
Crown. Brit. Inv. A		211.2		—
Pens. Mixed. Fd.	147.5	[illegible]	−0.9	—
Pens. Man'gd. Acc.	220.0	[illegible]	−0.3	—
Pens. Man'gd. Init.	206.5	217.1	−0.2	—
Pens. Equity Acc.	102.4	[illegible]	−0.5	—
Pens. Equity Init.	99.1	[illegible]	−0.5	—
Pens. Fxd. Int. Acc.	106.1	[illegible]	−0.1	—
Pens. Fxd. Int. Init.	102.7	[illegible]		—
Pens. Money Acc.	107.4	[illegible]	+0.1	—
Pens. Money Init.	104.1	[illegible]	+0.1	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N4DJ 488 2323

Growth Prop May 4	100.1	110.1		—
Managed Pens Apr 14	112.11	118.10		—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	78.3	82.2	−0.2	6.05

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe 0494 33377

U.K. Equities Fund	188.1	198.0	−0.1	—
Higher Inc. Fund	120.2	126.5	+0.2	—
Property Fund	190.6	200.6		—
Fixed Interest Fund	139.0	147.1	−0.4	—
Index Linked Secs Fnd.	92.8	96.7	+0.1	—
Gtd. Deposit Fund	134.3	141.3		—
Nth. America Fund	108.9	114.6	+0.8	—
Far East Fund	90.0	94.7	−0.3	—
International Fund	102.4	107.7	+0.1	—
Mixed Fund	167.2	175.9	−0.1	—

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	190.4	200.4	+12.6	—
Ind. Pen. Property	142.9	150.4	+1.3	—
Ind. Pen. Fixed Int.	136.0	143.1	+4.3	—
Ind. Pen. Indx Lk. Secs.	101.4	106.7	−1.8	—
Ind. Pen. Overseas	152.9	160.9	+6.8	—
Ind. Pen. Cash	134.2	141.2	+1.4	—
Ind. Pen. Balanced	152.9	160.9	+6.3	—
Ind. Pen. Dep. Admin.	134.0	141.0	+1.5	—

Prices at May 13. Next settlement June 10.
Group Pension Funds—Prices Available On Request.

Family Assurance Society
68, East Street, Horsham. 0403 50255

Family A. Managed	164.2	167.4		—
Family B. Managed	88.2	90.0		—
Family C. Brit.	73.1	74.6		—
Family D. Fixed Int.	107.0	109.2		—
Family Capital Magd.	88.1	89.9		—
Family Brit. II	54.1	55.2		—

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

World Wide Growth Management¢
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.07		−0.08	—

Inv Adv. M. & G. Inv Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	39.2	40.8		6.60
Chinese Fund	75.8	78.9		9.30
Precious Metal Fund	195.0	202.9		—
Vanguard Cmdy Fd.	45.2	46.3		—
Financial Futures Fd.	102.8	107.1		—
Wren Intl Fnd.*	$0.927	0.965		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]						
41	32	Do. 4½pc 87-92 Assd.	43xd	......	11.25	17.60
372	318	Zimbabwe Ann (£100pd)	352xd	......	—	20.05

LOANS

Public Board and Ind.

66	57¾	Agric. Mt. 5pc '59-89	61½	......	8.37	14.13
29¼	24¾	Met. Wtr. 3pc 'B'	29¼	......	10.45	12.97
114	103	U.S.M.C. 9pc 1982	113	......	7.39	—
100½	94	Do. without Warrnts.	100½	......	9.30	—

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]								
253	205	Alexanders D. £1	230	-2	18.5	—	11.5	—
£63½	£56½	Algemene Fl.100	£60xd	-½	Q26%	1.8	9.0	6.1
100	75	Allied Irish	90	+6	Q13.9%	5.5	10.0	2.6
*16½	10⅞	Arbuthnot (H.) 5p.	11¼	-¼	t0.35	—	4.4	—
260	200	Bk. Ireland £1	240	+3	[illegible]	—	10.0	—
5½	4	Bk. Leumi $0.1	5½	......	[illegible]	—	0.4	—
*227	150	Bk. Leumi (UK) £1	190	......	10.15	—	7.6	—
180	153	Bk. N.S.W. $A1	165	-3	Q24c	2.9	9.0	3.8
518	393	Bank Scotland £1	406xd	......	21.0	4.5	7.4	3.3
510	432	Barclays £1	455	-5	†22.0	5.1	6.9	3.1
240	220	Brown Shipley £1	230	......	16.5	—	4.0	—
335	275	Cater Allen £1	328	-7	23.1	—	10.1	—

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1982 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
165	119	Jardine M. SHK$	161xc	–4	†Q92c	ϕ	5.5	ϕ
49	35	Jenks & Cattell.	36	......	1.0	—	[illegible]	—
242	187	Johnson Clnrs...	234	+27	7.7	[illegible]	[illegible]	[illegible]
295	245	Johnson Mthy. £1	263	......	9.5	[illegible]	[illegible]	[illegible]
80	64	Jourdan (T.) 10p.	72	......	5.25	[illegible]	[illegible]	[illegible]
48	40	Kalamazoo 10p	43	–1	2.5	[illegible]	[illegible]	[illegible]
170	135	Kelsey Inds.	168	+3	8.0	2.1	7.2	9.2
152	138	Kennedy Sm. 10p	140	+2	†4.38	[illegible]	[illegible]	7.4
210	220	Kershaw (A.) 5p..	220	–10	21.75	[illegible]	[illegible]	[illegible]
51	41	Kleen-E-Ze Hldgs.	45	......	5.5	[illegible]	[illegible]	[illegible]
68	54	L.C.P. Hlds	58	......	4.3	[illegible]	[illegible]	[illegible]
52	39½	L.R.C. Int. 10p.	51½	–½	2.5	[illegible]	6.8	11.7
46	34	Lawtex	34	......	‡1.5	—	[illegible]	—
188	153	Lead Inds. 50p.	167xd	–2	9.66	1.8	8.3	(9.1)
360	277	Lep Group 10p.	360	+6	16.5	2.1	6.5	8.4
18	12	Lesney Prods. 5p.	12	–2	—	—	—	—
37	28	Lilleshall 10p...	20xd	......	2.5	—	12.8	—
50	39	Lon. & Liv. 10p	46	......	†1.7	3.3	5.3	6.8
102	91	London & Mid'd	92	......	7.75	1.1	12.0	(8.9)
51	36	Lon. & Nthn. Grp.	50	+1	3.75	2.5	10.7	4.3
32	23	♦Lon. Priv. Health	32	+1	—	—	—	ϕ
9¾	5½	Long Hmbly. 10p.	5½	–1¼	—	—	—	—
46	36	Longton Inds. ..	39	......	1.0	—	3.7	—
72	33	Lonsdale Univrsl.	65	+2	ϕ1.0	0.9	2.2	(49.3)
195	100	Low & Bonar 50p	188	......	7.0	1.6	10.0	(7.7)
33½	23	M.Y. Dart. 10p.	24	......	1.33	—	7.9	—
167	105	M'c'rthy Ph. 20p.	166	+1	7.0	2.8	6.0	7.7
193	78	Macfarlane Gp.	103	......	4.0	2.2	5.5	10.6
37	28	Maclellan 20p..	36	......	1.43	ϕ	5.8	ϕ

LEISURE—Continued

1982 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
45	33	Fairline Boats 10p	40	......	d1.0	—	3.6
18	16	GRA Group 5p..	16	......	—	—	—
42	22	Glasgow Pavilion 10p..	27	......	—	—	—
48	32	Grampian TVA 10p..	48	......	3.25	[illegible]	10.1
146	107	HTV Non/Vtg....	122	......	†10.0	[illegible]	11.7
433	278	Horizon	432	–1	6.0	[illegible]	2.0
151	95	♦Intasun 10p....	143	......	b2.8	[illegible]	2.8
31	22	Lancaster (D. M.) 5p	27	......	ϕ0.7	[illegible]	3.8
159	112	LWT "A"	136	+2	†10.07	1.7	10.6
125	94	Magnet. Ag. M. 10p..	95	......	8.75	[illegible]	13.2
67	59	Medminster 10p..	59	......	3.7	[illegible]	9.0
238	140	♦Nimslo Int 20c..	188	+3	—	—	—
40	33	Norton & Wrt. 10p	40	......	d1.0	—	3.6
74	65	Old Swan (H'gate) 10p.	72	......	g0.8	1.6	1.6
20	14	♦Owners Abroad.	26½	......	H0.35	ϕ	1.9
62	52	Photax (Lon.)....	60xd	......	3.5	3.6	8.3
235	91	Pleasurama 5p.	235	......	†4.75	4.6	2.9
•121	84	Riley Leisure 10p	106	–1	‡4.1	1.7	5.5
179	140	Saga Hols. 20p.	154	......	†b3.73	4.6	3.5
160	125	Samuelson 20p.	160	......	d8.77	—	7.8
99	76	Scott. TV 'A' 10p	86	......	7.0	3.8	11.6
50	36	♦SelecTV 10p..	40	–5	—	—	—
10	13	TSW 5p	16	–½	H0.6	—	5.4
51	31	♦TVS N/Vtg 10p.	51	......	—	—	—
100	62	Trid'nt TV 'A' 10p.	77	+6	4.26	2.1	7.9
210	92	21st Century Dist. Gp.	190	–3	—	—	—
27½	19½	Webb (Jos.) 5p.	20	......	hd0.51	[illegible]	3.6
93	69	Zetters 5p	70	......	2.75	[illegible]	5.0

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
120	75	Falcon Rh.50c	90	......	Q25c	10.3	20.7
33	20	Wankie Col. Z$1.	23	......	Q3c	1.2	10.4
21	16	Zam.Cpr.SBD0.24	18	......	—	—	—

Australian

1982 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
23	10	ACM 20c	19	......	—	—	—
7	2½	Argosy Gold NL 25c	3	......	—	—	—
151	62	Bond Corp.	70	......	gQ10c	2.9	9.1
82	63	Bougainville I Kina.	79	–2	Q6½c	1.2	5.0
192	154	CRA 50c	188	......	Q5c	—	1.6
16	10	Carr Boyd 20c	13	+1	—	—	—
56	22	Central Pacific	28	–1	—	—	—
26	10	Coltus Pacific N.L.	15	–½	—	—	—
27	14	Eagle Corp. 10c	20	......	—	—	—
23	14	Endeavour 20c	15	......	—	—	—
368	160	G. M. Kalgoorlie 25c	230	......	Q32½c	4.9	8.6
10	2½	Great Eastern	6	......	—	—	—
63	38	Greenbushes Tin 50c	42	......	Q6c	1.9	8.6
170	134	Hampton Areas 10p	156	......	2.5	3.1	2.3
32	15	Haoma N.W.	16	......	—	—	—
22	9	Intl. Mining	15	+1	—	—	—
30	10	Jimberlana (50cFP).	12	–1	—	—	—
9½	2¾	Kalbara Min 20c..	4	......	—	—	—
100	58	Kitchener NL 25c	58	......	—	—	—
14	9	Leichardt Expln..	13	+1	—	—	—
190	92	Meekatharra 25c.	146	......	—	—	—
44	16	Metals Ex. 50c	28	–1	Q3c	1.7	6.4
28	12	Metana Mins. 20cts..	14	+1	—	—	—
10	4½	Mid East Mins. NL..	7	+½	—	—	—

Tins

Copper

Miscellaneous

1982 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
40	20	Anglo-Dominion ..	23	......	—	—	—
16½	13	Burma Mines 10p	13xd	–½	0.55	ϕ	6.0
130	35	Coley Res. Corp...	55	......	—	—	—
292	210	Cons. Murch. 10c.	225	......	Q60c	1.9	14.2
8	5	††Explaura Gold..	5	–1	—	—	—
105	65	Highwood Res.	79	+4	—	—	—
255	165	Northgate C$1	195	–10	—	—	—
468	412	R.T.Z.	435	–5	16.0	2.1	5.4
£108½	£93½	Do.9½%Cn.Ln.95-2000	£101½	–½	Q9½%	30.0	†9.7
20	12	Sabina Inds. C$1.	17	......	—	—	—
44	27	♦Southwest C. 10p.	39	......	—	—	—
500	270	Tara Exptn. $1	315	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ● Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- 0 No par value

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –
Albany Inv. 20p	48	......
Bertrams	17¢	......
Bdg'wtr. Est. 50p.	412	......
Craig & Rose £1	£12¼	......
Finlay Pkg. 5p	27	–½
Graig Ship. £1	£26	......
Higsons Brew	82	......
Holt (Jos) 25p	585	......
I.O.M. Stm. £1	120	–8
Pearce (C. H.)	£11	......
Peel Hldgs.	145	......
Sheff. Refrshmt.	75	......
Sindall (Wm.)	205	......

IRISH	Price	+ or –
Conv. 9% '80/82	£96⅝	+½
Nat. 9¾% 84/89	£71	+½
Fin. 13% 97/02	£74⅝	+½
Alliance Gas	72	......
Arnott	210	......
Carroll (P.J.)	76	+1
Concrete Prods.	98	......
Helton (Hldgs.)	19	......
Irish Ropes	35	......
Jacob	67	–½
T.M.G.	4	......
Unidare	43	......

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	8	House of Fraser	15	Utd. Drapery	7
BOC Intl.	15	I.C.I.	24	Vickers	16
B.S.R.	8½	"Imps"	9	Woolworths	0
Babcock	16	I.C.L.	5½	**Property**	
Barclays Bank	42	Ladbroke	15	Brit. Land	7½
Beecham	21	Legal & Gen.	19	Cap. Counties	10
Blue Circle	45	Lex Service	10	Land Secs.	28
Boots	19	Lloyds Bank	42	MEPC	28
Bowaters	24	"Lofs"	6½	Peachey	14
Brit. Aerospace	27	London Brick	7	Samuel Props.	11
B.A.T.	38	Lucas Inds.	20	Town & City	3½
Brown (J.)	7	"Mams"	12	**Oils**	
Burton Ord.	25	Mrks. & Spncr	12	Brit. Petroleum	36
Cadburys	9	Midland Bank	39	Burmah Oil	30
Courtaulds	8	N.E.I.	9	Charterhall	6
Debenhams	7	Nat. West. Bank	38	[illegible]	[illegible]
Distillers	15	P & O Dfd.	14	Premier	6
Dunlop	6½	Plessey	22	Shell	30
Eagle Star	32	Racal Elect.	35	Tricentrol	22
F.N.F.C.	4	R.H.M.	6½	Ultramar	38
Gen. Accident	23	Rank Org. Ord.	26	**Mines**	
Gen. Electric	65	Reed Intnl.	26	Charter Cons.	25
Glaxo	42	Sears	6	Cons. Gold	45
Grand Met.	17	Tesco	5½	Lonrho	7
G.U.S. 'A'	45	Thorn EMI	42	Rio T. Zinc	42
Guardian	25	Trust Houses	11		
G.K.N.	15	Tube Invest.	23		
Hawker Sidd	30	Turner & Newall.	11		
		Unilever	55		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday May 15 1982

MAN IN THE NEWS

Balancing act at the BBC

BY CHRIS DUNKLEY

THIS WEEK Alasdair Milne was blooded with exceptional vigour in his capacity as Director-General of the BBC. He and the corporation's chairman, George Howard, faced the Tory backbenchers' Media Committee to hear of their fury over the BBC's Falklands coverage, especially Monday's *Panorama*, which gave a platform to dissenting voices.

Ironically Milne does not succeed Sir Ian Trethowan as D-G *until August*, but he explained "Ian's in America, so I'm running the BBC." Hence his appearance before the committee, an experience he clearly found startling and distasteful: "The first time I spoke they barked 'Can't hear you!' so I said I'd speak up. Then they shouted 'Still can't hear you. Stand up!' It was like being in Star Chamber. When they got really angry they started waving their order papers and growling like dogs." He grins, rueful at the memory but pleased with his simile.

Alasdair Milne

If politicians expected an apology they misjudged their man.

If the politicians expected their treatment to elicit an apology, they misjudged their man. A combative Scot who doesn't suffer fools gladly, ex Winchester (he was head boy) and Oxford, Milne was one of the two from a thousand applicants to be selected as BBC "General Trainees" in 1954, and apart from the couple of renegade years in commercial broadcasting which seem almost mandatory for those seeking *high office* in the *corporation*, he has been there throughout his career. Were you limited now to one word to describe not only his feelings about BBC programmes but virtually about life in general "unapologetic" could serve.

Not that he is a publish-and-be-damned libertarian. Milne was personally responsible for preventing transmission of the plays *Scum* and *Brimstone and Treacle*, and when, as Director of Programmes, he hauled *Casanova 73* off the screen, he remarked: "There are moments when it's a positive pleasure to have this job and be able to take programmes like that off."

On the other hand, as a "child of Grace"—one of the bright young men who staffed Grace Wyndham Goldie's legendary current affairs department in the 1960s—he had earlier been made editor of *Tonight* and thus taken responsibility for driving *That Was The Week That Was* through the satire storms.

Now as then his predilection is for current affairs and while he will admit to occasional errors in detail within the BBC's Falklands coverage such as Peter Snow's words "If we are to believe the British . . ." he is insistent that as a whole the BBC has "done a very decent job."

He rejects the notion of British military theorists revealing anything useful to the enemy via television programmes ("Argentine intelligence just isn't that defective"), accepts that in wartime the BBC may have to seek balance inside individual programmes instead of counterbalancing whole programmes one against another, and flatly denies accusations that the BBC is "aloof" or "loftily neutral."

His reaction to the "baying" of some MPs verges on the contemptuous, but he would obviously be deeply worried if he believed the majority of viewers felt that the BBC had got it wrong. "Normally people only contact you to complain, very rarely to praise. The night after the Media Committee row we had 251 against us but 300 ringing in support. That's most unusual."

Far from his bloody initiation putting him off the job, Milne seems to relish the prospect more than ever.

Howe denies taxes hinder North Sea oil exploration

BY RAY DAFTER, ENERGY EDITOR

SIR GEOFFREY HOWE, Chancellor of the Exchequer, yesterday hit back at oil industry critics who have complained that high taxes are hindering the development of North Sea oilfields.

He said that contrary to claims by the industry tax had not been the determining factor behind the postponement of several field development projects, each of which would entail investments of millions of pounds.

It was the "enormous" uncertainty about future oil prices that was making North Sea development unattractive, Sir Geoffrey told members of the Dundee and Tayside Chamber of Commerce.

Oil companies have complained that tax changes proposed in the March Budget were insufficient to make the development of small and medium-sized fields economically attractive.

But the Chancellor disclosed that he had looked carefully at the profitability of new developments under a variety of different assumptions on price levels and costs. The possibility of even lower prices had been considered.

"On these figures, I do not believe tax is making North Sea development unattractive," said Sir Geoffrey. "There are still attractive prospects."

He pointed out that he had proposed a small reduction in the total level of tax. A bigger cut, requested by the industry, would not have been justified. "Nor would it have led to a significantly higher level of development."

Sir Geoffrey also said that it was still the Government's intention to sell 51 per cent of the shares in British National Oil Corporation's exploration and production business "before the end of the year." The sale would go ahead "provided market conditions are right."

BNOC is working on the assumption that the sale could raise about £750m for the Exchequer. It is expected that investors will be given the option to defer part of the payment for shares until next year.

Sir Geoffrey said there were signs that the private industrial sector had started to move forward. The economy had started to grow again.

"This is not the hot-house product of government intervention to pump money demand into the economy," he said. "This is the result of increased output and improved performance in the private sector. The signs are encouraging."

BP pulls out of Finland, Page 2

U.S. inflation may remain low while output continues to fall

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. economy continued to decline last month. The depressed level of activity, however, may succeed for some time in keeping inflation down to a negligible level.

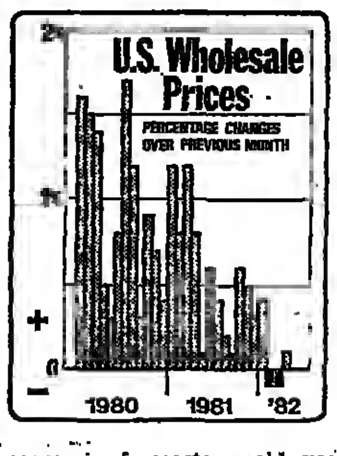
These were the implications of statistics on industrial production and wholesale prices for April published yesterday by the Federal Reserve Board and the Commerce Department.

Industrial production fell by 0.6 per cent following 0.8 per cent reduction in March, while wholesale prices increased by 0.1 per cent, after two successive months of decline at the same 0.1 per cent rate.

The fall in production leaves industrial output 8.6 per cent below its July level, when the recession began. It was a little worse than expected by economists, who have been forecasting an early end to the recession. The April decline was, however, the best figure this year apart from a statistically anomalous increase of 1.4 per cent recorded in February.

Mr Alan Greenspan, a leading economic forecaster, said yesterday it suggested the economy was no longer deteriorating, although it provided no evidence of an upturn or of strong recovery, as predicted by the Administration, later in the year.

The extremely small increase in wholesale prices continues a run of excellent news on inflation which began this winter.



The more closely watched Consumer Price Index fell by 0.3 per cent in March and because trends in wholesale prices normally take several months to work through to retail prices, the good news on April's wholesale prices suggests that retail inflation will remain low for some time to come.

Several economists predicted yesterday that retail inflation for 1982 as a whole may turn out to be less than 6 per cent. This was, until recently, the Administration's most optimistic projection and compares with 8.9 per cent inflation in 1981.

The run of negative or near-zero monthly inflation figures, however, may be ending. The April index was brought down by a 5.2 per cent fall in its energy components following the recent fall in world oil prices. The index for finished consumer goods other than food and energy rose by 0.6 per cent.

Laser weapons 'by the 1990s'

BY DAVID FISHLOCK, SCIENCE EDITOR

LASER BEAM weapons capable of destroying nuclear warheads while they are still above the earth's atmosphere, 60 miles or more high, may be in operation by the early 1990s.

The International Institute for Strategic Studies in London says in its latest annual strategic survey that optimistic estimates suggest laser weapons would be operational in 10 to 15 years and particle-beam weapons in 20 years. They would form part of an anti-ballistic missile (ABM) defence system.

"However, these development times might be shortened if a crash programme were deemed desirable," the institute says.

It notes that the Soviet Union is also at the forefront of beam-weapon technology but is "undoubtedly faced with the very real engineering problems that must be resolved before any operational weapon can be achieved."

The logic of beam weapons lies in their potential speed and accuracy compared with projectiles.

Provided enough energy can be pumped into the target, along a beam travelling at or near the speed of light, such weapons could intercept nuclear-armed *re-entry vehicles* outside the earth's atmosphere, at heights above 300,000 ft. The idea would be to melt or crack open the spacecraft with a bolt of energy.

The latest thinking about ABM defences seeks ways of destroying as many re-entry vehicles as possible above the atmosphere, greatly reducing the problem of intercepting missiles which survive re-entry.

Beams of atomic particles, whether electrically charged or uncharged, tend to "bloom" or lose their intensity and focus in the vacuum of outer space. Laser beams, on the other hand, tend to bloom in the atmosphere.

The answer may lie in a weapon system which drills a "hole" to the target with a laser beam, then fires a lethal particle beam through the hole, the institute suggests.

But it foresees "major problems" in designing power systems for the immense energy demands of speed-of-light weapons, as well as in the miniaturisation of the beam-making equipment (earthbound atom-smashers are enormous machines), and in beam pointing, tracking and attack assessment.

The U.S. is developing charged-particle beam weapons at its Lawrence Livermore Laboratory, under the Chair Heritage programme, and neutral-particle beam weapons under the White Horse programme at Los Alamos Laboratory.

IISS Strategic Survey 1981-82, 23, Tavistock Street, London, WC2E 7NQ, £4.50.

Continued from Page 1

Nott pledge on islands

concerned about unemployment but one or two proclaiming pro-Argentine sympathies—and into the conference to the sound of an organ playing the Trumpet Voluntary. Her speech was followed by the Scottish Tories, singing Land of Hope and Glory and the National Anthem. It was clear that the Perth conference turned out to be every bit the morale boosting affair the Tories hoped it would.

The bellicose elements in both speeches at Perth underline the Government's sensitivity to mounting suspicion within the Tory Party that the doves in the inner cabinet—Mr Francis Pym, the Foreign Secretary, and Mr William Whitelaw, Home Secretary—are preparing to make unacceptable concessions to the Argentines.

At the same time, Whitehall is anxious to dispel talk of the apparently widening rift between the doves and the inner cabinet hawks—the Prime Minister, Mr Nott, and Mr Cecil Parkinson, chairman of the Conservative Party—and yesterday was insisting that any differences centred on tactics, not strategy or policy.

● Mr Pym said in London last night: "I wouldn't wish to be optimistic but on the other hand there is still hope." In an interview for French television, he also commented: "The negotiations are fairly sharp at the moment because (Sr Perez de Cuellar) sees each side every day."

Continued from Page 1

Invasion option studied

porters, despite at least three British bombing raids.

These attacks have also apparently not succeeded in destroying Argentina radar on the Falklands. It is understood that these installations were instrumental earlier this week in guiding the Argentine Skyhawk fighters to attack two British warships—with the loss of three Skyhawks and some damage to one of the British vessels.

Two key problems will continue to worry British defence chiefs, whatever military option is chosen.

Despite the success of the Sea Wolf missiles against the Skyhawks, the task force is still far from having superiority in Falklands airspace. There is concern too at the reported presence of one Argentine German-built submarine in Falkland waters and another older but longer-range vessel said to be tracking the long supply line of ships stretching back to Ascension islands.

However, British sources claim that the rest of the Argentina fleet, including the sole aircraft carrier, is within the 12-mile Argentine coastal waters.

Whether or not an invasion is ordered could depend partly on the nature of the breakdown of the UN's diplomatic initiative, if or when it comes. There is strong pressure for an invasion from sections of the Conservative Party, and it is believed from some parts of the military establishment.

But the Government will be concerned this weekend that if Britain does not appear to have made every effort to reach a settlement, and if failure can be laid at Britain's door, an invasion of the islands could produce a rapid erosion in international support for Britain.

Jetsave offered for sale at £3.5m

By Arthur Sandles

JETSAVE, the transatlantic travel subsidiary of Associated Communications, is to be offered for sale to the highest bidder. The initial price tag is £3.5m.

Next week, Mr Reg Pycroft, Jetsave's founder and managing director, will ask the ACC board to free him from any contractual obligations to Jetsave so that he can be a bidder from the outside.

Mr Pycroft, who has a 15 per cent stake in Jetsave, has been trying to buy back the company he sold to ACC in May 1980. So far he has offered £2m, only two-thirds of what he sold it for.

Last night he said: "I am seeking to be released from employment with the company."

Rival operation

The contract has another year to run and even after that he would not be allowed to start a rival operation. But, he says, "I do not intend leaving the stage."

It had been believed in the travel industry that Mr Pycroft's efforts to buy back Jetsave would be successful once the ACC group emerged from its takeover battles.

However, the collapse of first Laker and then Braniff has greatly increased the value of remaining operators like Jetsave in some eyes.

When ACC bought Jetsave it was assumed that the entertainments group would pump money into its new subsidiary and aid its expansion in areas other than transatlantic charter flights where it is the market leader. Instead, Jetsave quickly became a source of profits and cash flow for the group.

Successful

Jetsave has been remarkably successful in its field, carrying more than 100,000 people a year to the U.S. and Canada, most of them on British Airways. So effective has this relationship with BA been that rival TWA has signed a similar deal with U.S.-based Travellers for the marketing of low cost seats.

The final move that made Mr Pycroft seek release from his contract was the open bidding policy adopted by ACC.

He said he wanted to make it clear that he would not be part of any sale deal that might be done.

Weather

UK TODAY

Sunny periods with some outbreaks of rain later. Warm to very warm.

London, SE, NW, Central England, Midlands, Channel Islands, Lake District, SW, NW Scotland Central Highlands
Sunny, some showers later. Max. 23C (73F).

SW England, Wales, Isle of Man, N. Ireland
Sunny periods. Outbreaks of rain. Max. 18C (64F).

N.E. England, Borders, N.E. Scotland, Orkney, Shetland
Sunny periods, later but cooler with fog on the coast. Max. 17C (63F).

Outlook: Unsettled, becoming cooler.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	18	64	L. Ang.†		—	—
Algiers	S	22	72	Luxmbg.	S	21	70
Amsdm.	S	19	66	Luxor	S	36	97
Athens	S	23	73	Madrid	S	25	77
Bahrain	C	31	88	Majorca	S	22	72
Barcelna.	S	19	66	Malaga	F	20	68
Beirut	S	23	73	Malta	S	22	72
Belfast	S	16	61	M'chstr	S	20	68
Belgrd.	S	21	70	Melbne.		—	—
Berlin	S	19	66	Mx. C.†		—	—
Biarritz	S	18	64	Miami†	F	24	75
Bmghm.	S	21	70	Milan	S	22	72
Blackpl.	S	21	70	Montrl.†	C	11	52
Bordx.	S	27	81	Moscow	C	8	46
Boulgn.	S	23	73	Munich	S	18	68
Bristol	S	22	72	Nairobi		—	—
Brussels	S	22	72	Naples	F	22	72
Budpst.	S	20	68	Nassau		—	—
Cairo		—	—	Nwcstl.	S	15	59
Cardiff	S	20	68	N. York†	C	13	55
Cas'b'ca		—	—	Nice	S	20	68
Cape T.	S	20	68	Nicosia	S	25	77
Chicg.†		—	—	Oporto	F	20	68
Cologne	S	22	72	Oslo	S	15	59
Cpnhgn.	S	17	63	Paris	S	23	73
Corfu		—	—	Perth	F	17	66
Denver†		—	—	Prague	S	18	64
Dublin	C	13	55	Rykjvk.	C	10	50
Dbrvnk.		—	—	Rhodes	S	23	73
Ednbgh.	S	15	59	Rio J'o†		—	—
Faro	S	23	73	Rome	S	22	75
Florence	S	25	77	Salzbrg.	S	21	70
Frankft.	S	21	70	S'ciscot		—	—
Funchal	F	18	64	S. Mrtz.		—	—
Geneva	S	20	68	Singapr.	C	28	82
Gibrltr.	C	18	64	S'tiago†		—	—
Gl'sg'w	S	22	72	Stckhm.	S	12	54
G'rnsey	S	21	70	Strasbg.	S	23	73
Helsinki	F	10	50	Sydney		—	—
H. Kong	C	24	75	Tangier	S	23	73
Innsbrk.	S	21	70	Tel Aviv		—	—
Invrnss.	F	16	61	Tenerife	C	23	73
I.o.Man	S	16	61	Tokyo	R	19	66
Istanbul	C	16	61	T'r'nto†		—	—
Jersey	S	24	75	Tunis	S	23	73
Jo'burg	S	23	73	Valencia	S	21	70
L. Plms.	F	23	73	Venice	S	22	72
Lisbon	S	21	70	Vienna	S	19	66
Locarno	S	21	70	Warsaw	S	14	57
London	S	21	70	Zurich	S	21	70

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Quiet assault on the 600 level

The equity market has this week been testing the highs touched just over a year ago at the end of April 1981 but though the share prices may be similar the mood has been very different. In the spring of 1981 the FT 30-Share Index soared towards the 600 level on a speculative bubble of activity; this time it has been quietly edging ahead against the sombre backdrop of threatened warfare in the South Atlantic.

A late bounce in the leaders last night took the 30-Share Index back above 590, and although it is still nearly seven points short of the all-time peak reached on April 30 last year, it has attained the fourth highest closing level ever seen. Meanwhile the more broadly based FT-Actuaries All-Share Index, despite missing some of the benefit of last night's after hours buying for the new Stock Exchange account, is poised within 0.5 per cent of its own all-time high (which in this case was attained last August). In fact, last Monday the All-Share came within 0.09 of a point of its record level of 338.64. Unusually, the All-Share has underperformed the 30-Share by nearly 4 per cent since last August—a reflection of the relative strength of industrials, and the relative weakness of the oil and financial sectors.

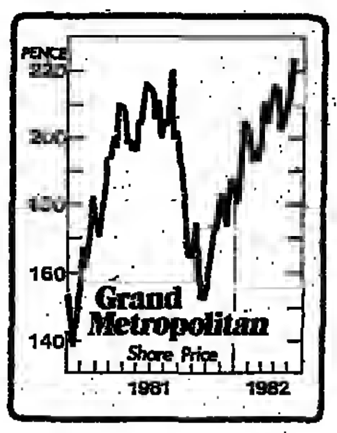
But the current strength of the indices is marked by a general lack of excitement, as shown in the activity statistics. In late April 1981 equity turnover was often well over £200m a day, with sometimes 25,000 individual bargains. This week turnover has been bobbing along nearer £150m, with some 15,000 daily bargains.

It looks as though the private investor is playing a cautious game in conditions of political uncertainty, but that the big institutions are forced to keep nibbling at shares because of the pressure of continual cash inflows. Meanwhile the new issues which might have absorbed this money are mostly being deferred—though this week's underwriting of the £100m-plus Argyle Foods share issue showed that the money is there for those that want it.

Grand Metropolitan

Grand Metropolitan continues to delight its enthusiasts. In the face of miserable winter weather and a soaring interest bill, the group has reported a 10 per cent rise in pre-tax profits, to £74.8m, for the six months to March.

Index rose 5.4 to 590.6



Exchange rates can admittedly claim some of the credit. The trading contribution of Liggett has jumped by over a third to £42.2m. In dollar terms, the rise would be perhaps 8 per cent. Some of this advantage is eroded by the higher sterling cost of foreign currency borrowing, but the predominant reason for the sharply higher interest charge is Inter-Continental Hotels. Grand Met is still far from covering the funding costs of that acquisition.

After adding in the cost of ICH's own debt, the company failed to cover gross financing costs by a margin of around £15m in the first half and, despite some slight seasonality in ICH's business, the position is unlikely to change much in the current six months.

But Grand Met is defiantly confident about the long term prospects, believing that its existing portfolio of hotels will benefit from ICH's marketing experience and that investment of capital in the company will produce returns. It can point to the spirits and wines division as an encouraging precedent. Profits continue to motor ahead, following a long and costly brand development programme, and the Liggett acquisition has greatly improved the division's U.S. marketing performance.

But any pay-off from ICH is still some way away and, in the meantime, the UK interests are not generating enough cash to make much impact on a £950m debt load. Brewing is well ahead due to cost measures and the rigorous maintenance of margins. But the bulk of the productivity improvement is now out of the way and beer volume is still heading down.

The group will presumably continue to sell off British hotels (disposals will bring in about £50m during the second half). Yet Grand Met will almost certainly need to supplement this programme with a modest rights issue. After the recent rally of the share price —they added another 5p to 223p yesterday—the prospective yield is not much above 5 per cent. So the time may almost be ripe.

Building Socs.

April seems to have been a more expansive month for the Building Societies, restoring their competitive position both as borrowers and as lenders. Aided by the disappearance of the highly competitive 23rd issue savings certificate after the Budget, the societies were able to attract net receipts in April of £437m, almost two-thirds higher than in March.

At the same time, gross mortgage advances of £1.2bn—within a whisker of the record set last July—suggest that the clearing banks may temporarily have lost their initiative in the mortgage market. The societies believe that the banks' market share is now running at something like 20 per cent, roughly half the share of advances they achieved in the final quarter of 1981.

Not content to do battle on a single front, Barclays has decided to unseat the societies from their strange monopoly as dispensers of cash on Saturday. By opening on Saturday mornings, the theory goes, Barclays will be able to attract new current accounts in large numbers —presumably from those who at present run building society accounts instead, just for the convenient access to cash at the weekend.

Barclays' primary motive is *to build up additional current* balances, which will doubtless continue to be non-interest bearing. But the competition for retail funds will inevitably extend into interest-bearing time-deposits, where it would be necessary to compete with the societies on price. On this broader front, the one area where the banks have a clear advantage—as providers of money transmission facilities—may not count for much, against better rates from the societies.

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